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AUTHOR Oswald, Donald P.; Coutinho, Martha J.
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ABSTRACT

This final report discusses the outcomes of a policy research study designed to improve decision making during the reauthorization of the Individuals with Disabilities Education Act (IDEA). Issues were identified and policy briefs were developed on: (1) the federal financial formula for special education; (2) the role of economic and demographic factors in school completion rates for children with disabilities; (3) the role of economic and demographic factors in placement in regular classes; (4) leaving school--transition planning; and (5) state funding formulas. Extant database analyses and state key personnel interviews investigated implications for policies related to these issues. At the state level, results indicated that placement rates in regular class settings were related to ethnicity. With respect to transition services, the data suggest that the mandate to implement transition planning at age 16 was associated with a decline in dropout rates. With respect to funding and distribution formulas, the data did not support a particular formula or approach as a means to assure that children with disabilities are provided both a free and appropriate public education and services in the least restrictive environment. The five policy briefs and six state close-up profiles are attached. (Each policy brief includes references.) (CR)

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ED 413 704

Final Report Submitted upon the Conclusion of Project ALIGN: Supporting Data-based Decision Making to Align the Intent and Implementation of IDEA with the Goals of National Education Reform.

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Principal Investigators
Donald P. Oswald, Ph.D.
Virginia Commonwealth University
Martha J. Coutinho, Ph.D.
East Tennessee State University

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Abstract

Project ALIGN was a policy research study designed to improve decision making during reauthorization of IDEA. Issues were identified during the reauthorization that related to special education funding formulas, transition requirements, the role of economic and demographic factors in the identification, placement, and graduation of children with disabilities, and disproportionate identification of children with disabilities from diverse ethnic background. Extant data base analyses and state key personnel interviews investigated implications for policies related to these issues. A series of policy briefs were prepared and disseminated to audiences involved in the reauthorization of IDEA.

Final Report Submitted upon the Conclusion of

Project ALIGN: Supporting Data-based Decision Making

to Align the Intent and Implementation of IDEA

with the Goals of National Education Reform.

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Purpose of Study

The recent reauthorization process identified several issues which influence capacity to provided a free and appropriate education to all children with disabilities. Among these were concerns related to rate of identification of children with disabilities, rates of placement in segregated settings, and low rates of school completion for children with disabilities; among these concerns were the impact of special education funding and distribution formulas, disproportionate representation of minority children, and the appropriate age to initiate transition planning.

The purpose of the study was to provide decision makers with information during the reauthorization process. Particular attention was paid to the influence of demographic, economic, and educational factors.

Method

A series of extant data base analyses and interviews with key personnel in selected states were conducted to address project objectives. The extant data base analyses investigated national data sets related to child disability and school-related economic and demographic variables. These data sets included annual OSEP state reported data and annual NCES school-related data.

Descriptive and inferential analyses were conducted to characterize state identification, placement, and graduation rates for selected disabilities and their relationships to economic and demographic factors. Additional analyses address disproportionate representation of minority children in special education and the impact of funding and distribution formulas on placement and identification.

Interviews were conducted with several state representatives in special education to identify (1) factors related to increasing rates of placement in integrated settings; (2) factors related to relatively successful rates of school completion for children with disabilities; (3) state experiences with transition planning services and initiatives; and (4) current special education funding and distribution formulas and their input regarding a change to a placement neutral or census-based formula.

Results

Extant data base analyses indicated that school-related economic and demographic factors influence identification, placement, and graduation in a complex manner. Substantial variation was observed across states which could be meaningfully interpreted in light of the predictor variables. At the state level, results indicated that placement rates in regular class settings is related to ethnicity. With respect to transition services, the data suggest that the mandate to implement transition planning at age 16 was associated with a decline in dropout rates. With respect to funding and distribution formulas, the available information did not support a particular formula or approach as a means to assure that children with disabilities are provided both a free and appropriate public education and services in the least restrictive environment.

Products / Dissemination

A series of products were developed for use by policy makers, educators, and the research community. Four papers were published in peer-review journals, six state close-up profiles were

provided to the funding agency, and six Project ALIGN Issue Briefs were disseminated nationally to audiences interested in the reauthorization of IDEA. Recipients of products included congressional representatives, professional organizations (CEC, NASDSE, CASE), state representatives in special education, and members of the research community. A copy of all products is attached to this report. The Issue Briefs are available through ERIC and will be published on the World Wide Web in 1998.

Evaluation

A series of formative and summative evaluation procedures were implemented to ensure that project objectives were achieved. Formative indicators were used to address changes in the accessibility or nature of information available to the project. Results of the summative evaluation provided support for (1) the need to collect and analyze national level data related to the identification, placement, and outcomes of children with disabilities; (2) the importance of complementary national level education-related economic and demographic data; (3) the relevance of data-based information pools in the development of effective policies and procedures at the national, state, and local level.

Donald P. Oswald, Ph D

Principal Investigator

Money Matters

A Project ALIGN *Issue Brief* March, 1996

Federal Financial Support for Special Education: What's the Right Formula?

Should federal funds allocated to states to support implementation of IDEA be based on the number of children with disabilities or on a percentage based on each state's resident population of children?

The Individuals with Disabilities Education Act (IDEA) provides federal support to implement a free and appropriate public education to children with disabilities. In 1975, Congress authorized the federal government to commit up to 40% of the average regular education per pupil expenditure (APPE) to services for children with disabilities. Federal allocations under Part B of IDEA have increased steadily from $2.5 million in 1977 to $2.15 billion in fiscal year (FY) 1994. The Part B allocation increased from $71 per identified special education student in 1977 to $413 per identified special education student in 1994. Federal allocations under Part B have increased because of increases in the number of children identified as disabled as well as increases in the APPE.[1]

Federal allocations to states, however, have never approached 40% of the APPE. In 1978 and 1979, the allocation equalled the authorized percentages of 5% and 10% of the APPE, respectively. In 1980, however, the allocation was 12.5% rather than the 20% of APPE that was authorized. Thereafter, allocations expressed as a percentage of APPE have declined.[2] An allocation of 40% APPE in school year 1992-93 would have committed $9.7 billion of federal money to special education, over four times the amount actually dispersed.[3]

States are seeking state level remedies in response to the sentiment that IDEA is over-regulated and underfunded, particularly in the face of increasing costs for all types of public services.

The actual average cost to educate a disabled child is about twice the cost for a nondisabled child and that ratio has remained steady for most of the last 20 years. The proportion of special education expenditures covered by federal allocations varies widely from one state to another. The most recent data indicated the federal share is 10 percent or less in at least 30 states.[2,4,5]

Despite a shortfall in federal allocations for special education, the number of children identified as disabled has increased steadily and substantially. Between 1977 and 1994, the number of identified children has increased almost 45%. Further, the rate of increase has not slowed; in fact, the 4.2% increase between 1993 and 1994 was the largest ever and significantly exceeds the rate of growth in school enrollment. The increases in several disability categories have been particularly striking. Between 1977 and 1994, for example, the number of children with learning disabilities increased over 200%.

As a result of the federal government's failure to fully fund special education programs and the increases in special education identification, many states have begun to regard a reform of special education financing as essential. In the last five years, 18 states have implemented special education finance reform and 29 are considering major changes.[1,2] The primary reasons given for reform are the desire for more flexibility in providing special education services and the need to eliminate financial incentives that support unnecessarily restrictive placements. States are seeking state level remedies in re-

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sponse to the sentiment that IDEA is overregulated and underfunded, particularly in the face of increasing costs for all types of public services.[6]

Proposed Changes in the Federal Formula

Recent discussions regarding reauthorization of IDEA have focused attention on the formula used to determine each state's allocation of federal dollars to support special education services. IDEA Part B State Grant Program monies represent the bulk of the federal contribution. State grants are currently determined by a formula that multiplies the number of children with disabilities, age 3-21 years, times a specified percentage of the national APPE.

Support for Changes

In 1994, the U.S. Department of Education Office of Inspector General (IG) released an audit report sharply critical of the Department's current method of allocating funds for special education services on the basis of the number of identified students.[7] The IG concluded that state counts of children identified as disabled were unreliable because (a) there is substantial variation across states in the percentage of children identified for each disability; (b) the counts yield percentages that are different from the rate of work-related disability in individuals age 16 to 64 years; (c) audits performed by the IG have identified inaccurate child counts in some instances; and (d) there are reports of technical and other problems with the procedures used to classify children into categories of disability. The IG investigation included discussions with representatives of states, local education agencies, and professional associations. The report concluded that special education funds could be allocated more objectively and equitably on the basis of population and poverty, a "census-based" approach to allocation. An adjustment for poverty was recommended because the IG concluded that there is an important relationship between disability and poverty. The report also noted that changing to a census-based formula eliminates the need for child counts and gives the Department of Education the opportunity to re-evaluate the need for states to report students by disability category. The IG report did not specify what percentage of the resident population should be considered disabled in a census-based formula.

> ***...Allocating funds to states based on census...would create incentives for states to undertake reforms such as pre-referral and early intervention and disincentives for over-representation of minorities...[8]***

In 1995, the U.S. Office of Special Education Programs (OSEP), the office that administers the Part B formula grant program, also recommended adopting a census-based funding formula for federal allocations. The rationale offered for the change in the federal formula echoed concern that the current formula runs counter to widely accepted reform initiatives:

> Today the major policy concern is not that millions of disabled children are not identified or not enrolled in school. Critical issues, instead, are that too many children are served in inappropriately restrictive environments, and in some communities, that children - particularly minority children - are often inappropriately identified as disabled in order to generate funding to either remove them from regular classrooms or purchase extra services for them. The current federal funding formula can create incentives that add to these problems and create disincentives for those states that seek progressive solutions to them . . . Allocating funds to states based on census . . . would create incentives for states to undertake reforms such as pre-referral and early intervention and disincentives for over-representation of minorities. . . Allocating federal funding to states based on census would also simplify administration of the program - reducing data collection burdens and avoiding the problems of inaccurate child counts.[8]

The OSEP recommendation would not require states to adopt census-based formulas for the distribution of special education funds to local education agencies. It did, however, include a recommendation that the change in formula be accompanied by the replacement of the thirteen categories of disability now recognized under IDEA with one "functional" definition of disability, stating that the current requirement fosters a "narrow categorical approach."

In fact, federal law has never required schools to label individual students, only to report, by disability category, the number of children served. The Department collects the data to monitor the implementation of IDEA in the identification, evaluation, and service of children with disabilities in each of the individual categories. Without elaboration, however, the OSEP document argued that if only the formula changes, an inappropriate incentive to develop more expansive definitions of eligibility might result.[9]

Opposition to Change

The Council for Exceptional Children (CEC) has taken the position that the current federal formula for allocating Part B funds should not be changed at this time:

While CEC is philosophically supportive of changing the formula to a more census-based approach rather than a child count, we oppose changing the formula during this reauthorization. A formula change could cause large shifts in the amounts of funds states receive to assist in providing services to children with disabilities. There would be some states that would lose funds and other states that would gain. Thus, CEC believes the possible benefits derived from a formula change do not outweigh the disruption that could occur if formula changes are sought. We also believe that a formula change may penalize states which have worked diligently to identify and serve all students with disabilities. We are further concerned that a census-based formula may lead to an under-count of the population of children in urban areas who are in need of special education services.[9]

Thus, despite philosophical support for census-based funding, CEC has opposed implementation of a change at this time because of the disruptions that would result. The CEC position does, however, share the Department of Education's interest in removing the disincentives to pre-referral practices created by a child count formula.[9,10]

Some opposition to census-based funding rests on the premise that it is unfair to states with higher identification rates. This position cannot be dismissed lightly; in at least one state, the courts have struck down census-based distribution of funds to local school districts. An Alabama Circuit Court ruled that the "total enrollment" method that was used to calculate state special education aid was "irrational and arbitrary" and in violation of the state constitution because school systems with higher percentages of special education students received less special education aid per pupil than districts with fewer such students.[11] A similar argument might be applied to differences among states.

We also believe that a formula change may penalize states which have worked diligently to identify and serve all students with disabilities.[9]

Other problems may accompany a change to a census-based formula, particularly if such a change includes the elimination of the requirement to report children by disability category. Census-based funding may compound the problem of chronic under identification of children with emotional and behavioral disorders (EBD; designated as Serious Emotional Disturbance in IDEA) and mental retardation (MR). The national identification rate for children with EBD is less than 1% of the public school population, well below conservative prevalence estimates of between 2 and 3 percent.[12] The identification rate for children with MR has been declining steadily for years with no concrete evidence that the trend is based on actual reduction of the prevalence of MR. A switch to a census-based funding formula could further reduce the identification of students with EBD or MR, particularly in those states currently serving a relatively high overall percentage of children with disabilities.

Changing to a census-based formula may lead to a reduction in the amount of federal financial aid used to support the education of children with disabilities. If the funding is not specifically tied to identified children with disabilities, the commitment to use the money for special education services may be diluted. In a recent interview, Edwin Martin, a Commissioner of the former Federal Bureau of Education for the Handicapped, cautioned that, based on historical experience, when funds for regular and special education were combined to serve all students, there was a decline in services for children with disabilities. He noted that critical support for the original decision to separate regular and special education funding and to provide additional funding for special education was voiced by James Allen, former U.S. Commissioner of Education, who recalled a deterioration in services when regular and special education funds were merged in New York.[13] A census-based formula may signal to some states a retreat from the traditional federal role of fostering and protecting special education services.

Projected Impact of a Formula Change

What would happen to allocations if the formula changed? An analysis was conducted to provide educators and policy makers with an illustration of the impact on individual states of a shift to a census-based formula. Several scenarios were investigated and the impact calculated for each state; approximate actual allocations and projected allocations based on each scenario were computed for school year 1994-95. Actual and projected allocations are based on the 1993-1994 Part B child count and the corresponding allocation of $413 per child. Because funding provided under Chapter 1 (State Operated Programs) is not included, the total allocation actually received by a state in 1994-95 differs slightly from that entered in Table 1.

In the 1993-94 child count, 7.26% of the United States resident population of children, ages 3-21 years, were identified as disabled under IDEA. Table 1 illustrates the difference between 1994-95 allocations under the current formula (based on an actual count of identified children) and allocations based on 7.26% of the resident population of children in each state. Subsequent columns present the impact of a formula based on 6% and 9% of the resident population of children and pro-

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vide a comparison with a slightly more restrictive, and a slightly more expansive, disability prevalence estimate.

As Table 1 shows, the impact of a change to a census-based formula would be significant for many states. Those states currently providing special education to less than 7.26% of their resident population of children would receive additional federal monies. Arizona, Georgia, Louisiana, and Michigan would each receive more than $5 million additional dollars; California's allocation would increase by almost $50 million! The District of Columbia would experience an increase of almost 300% in Part B funding although this is somewhat misleading in that DC obtains considerable Chapter 1 SOP money not included in Table 1. Thirteen states would lose more than $2 million including Florida (about $14 million) and Massachusetts (over $27 million). Allocations based on a disability prevalence of 6% of the states' resident population of children would relegate virtually all states to the "loser" category; only Vermont and the District of Columbia would increase their Part B funding. On the other hand, a formula based on a disability prevalence of 9% of the resident population of children would bring additional federal dollars to almost all states, excepting only Alabama, Massachusetts, New Mexico, and Rhode Island.

Thirteen states would lose more than $2 million including Florida (about $14 million) and Massachusetts (over $27 million).

Figure 1 illustrates the impact graphically as a percent change in the 1994-95 allocation based on a resident population formula with a disability prevalence of 7.26%. States are grouped into six change intervals ranging from -24% change to +319% change. About one-third of the states would experience an increase or decrease of less than 5% of their current funding level. States that might be described as "big losers" (experiencing a decrease of more than 11%) include Wyoming, New Mexico, Tennessee, Alabama, Florida, West Virginia, New Jersey, Connecticut, Rhode Island, and Maine. States that would be "big winners" (experiencing an increase of more than 13%) include California, Idaho, Arizona, Michigan, Georgia, Pennsylvania, and New Hampshire.

Discussion

Changing to a census-based formula may be expected to affect some states in significant ways. Even if the total amount of federal funding remained approximately at the present level, without additional provisions (e.g. a grandfather clause preventing a decrease in state allocations), several states would have to scramble to secure the necessary funds to preserve current services. For other states, the windfall might be experienced as an increase in the federal share of the financial burden of providing a free and appropriate public education to children with disabilities. While most states would welcome a reduction in the federally- imposed data collection burden, unless state allocation formulas change, such data collection would have to continue in most cases.

States that would be "big winners" (experiencing an increase of more than 13%) include California, Idaho, Arizona, Michigan, Georgia, Pennsylvania, and New Hampshire.

Impact on Identification and Services

The impact of a census-based formula on pre-referral practices, identification rates for students with diverse ethnic backgrounds, or identification rates within disability categories remains unclear. While such impact may be empirically investigated, few relevant data exist at present. Examining the effects over time in states that have adopted census-based formulas for the distribution of funding to local school districts would offer guidance regarding the wisdom of a change at the federal level. No comparable models are currently available for anticipating the effects of simultaneously changing the formula and eliminating the requirement that children be reported by disability category.

Experimental projects and systematic analysis of state and local data are required to determine (a) whether the current formula actually contributes significantly to the over- or mis-identification of some children as disabled, and (b) whether changing the formula actually increases pre-referral activities and decreases referral in the long run. With such information, policy makers should be able to remove any actual disincentives in the current formula and to demonstrate that an improved formula supports efforts to identify all, and only, those children who are disabled. Before a census-based formula is adopted, policy makers, epidemiologists, and the public will need to reach a consensus on what percentage represents an acceptable estimate of the prevalence of disabilities in the school-age population. Changes in the formula may need to be accompanied by other initiatives that strengthen general education capacity to accommodate a greater range of academic and behavioral diversity and to support best practices in the design and delivery of special education services.

Table 1.
Impact on States of Changes in the Federal Funding Formula

State[7]	Federal Allocation to States 1994-95		Difference between Actual and Estimated 1994-95 monies			
	Actual Based on children identified as disabled in FY94[1]	Estimated Based on 7.26% of Resident Population as Disabled[2]	Estimated Gain or Loss using 7.26% of Resident Population as Disabled[3]	Percent Gain or Loss using 7.26% of Resident Population as Disabled[4]	Estimated Gain or Loss using 6% of Resident Population as Disabled[5]	Estimated Gain or Loss using 9% of Resident Population as Disabled[6]
Alaska	5,929,441	5,698,361	-231,080	-4	-1,220,052	1,134,643
Alabama	40,450,459	34,505,237	-5,945,222	-15	-11,933,734	2,324,628
Arkansas	20,570,704	20,276,275	-294,429	-1	-3,813,452	4,565,174
Arizona	28,044,765	32,608,582	4,563,817	16	-1,095,524	12,379,097
California	218,740,494	254,711,392	35,970,898	16	-8,235,212	97,017,429
Colorado	25,819,934	29,031,425	3,211,491	12	-1,827,021	10,169,435
Connecticut	27,712,713	23,795,234	-3,917,479	-14	-8,047,231	1,785,511
DC	854,910	3,585,673	2,730,763	319	2,108,456	3,590,139
Delaware	5,129,460	5,383,321	253,861	5	-680,434	1,544,079
Florida	111,640,508	97,306,666	-14,333,842	-13	-31,221,776	8,987,590
Georgia	49,883,792	57,801,001	7,917,209	16	-2,114,370	21,770,341
Hawaii	5,833,625	9,241,637	3,408,012	58	1,804,091	5,622,950
Iowa	25,559,331	23,270,097	-2,289,234	-9	-6,327,846	3,287,897
Idaho	9,206,183	10,510,701	1,304,518	14	-519,653	3,823,612
Illinois	86,423,141	94,502,401	8,079,260	9	-8,321,983	30,728,596
Indiana	49,406,777	46,911,244	-2,495,533	-5	-10,637,154	8,747,658
Kansas	19,612,957	21,386,485	1,773,528	9	-1,938,176	6,899,215
Kentucky	32,840,934	31,320,028	-1,520,906	-5	-6,956,613	5,985,547
Louisiana	35,071,960	38,891,327	3,819,367	11	-2,930,367	13,140,429
Massachusetts	57,050,168	43,256,009	-13,794,159	-24	-21,301,400	-3,427,016
Maryland	38,506,468	37,870,439	-636,029	-2	-7,208,585	8,440,357
Maine	11,753,567	9,862,961	-1,890,606	-16	-3,602,359	473,244
Michigan	69,832,105	78,996,759	9,164,654	13	-4,545,528	28,097,761
Minnesota	36,363,411	38,001,018	1,637,607	5	-4,957,611	10,745,289

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Missouri	45,519,208	42,726,375	-2,792,833	-6	-10,208,154	7,447,373
Mississippi	26,194,525	24,195,817	-1,998,708	-8	-6,197,982	3,800,290
Montana	7,385,266	7,333,948	-51,318	-1	-1,324,152	1,706,404
North Carolina	55,785,562	54,194,249	-1,591,313	-3	-10,996,926	11,397,392
North Dakota	4,932,459	5,493,392	560,933	11	-392,466	1,877,531
Nebraska	15,003,877	13,858,093	-1,145,784	-8	-3,550,908	2,175,577
New Hampshire	8,921,626	8,856,405	-65,221	-1	-1,602,283	2,057,388
New Jersey	76,615,630	58,116,370	-18,499,260	-24	-28,585,572	-4,570,543
New Mexico	17,833,340	14,747,712	-3,085,628	-17	-5,645,148	448,948
Nevada	10,169,712	10,525,483	355,771	3	-1,470,966	2,878,408
New York	143,254,419	137,300,198	-5,954,221	-4	-29,783,181	26,952,438
Ohio	88,832,170	89,724,063	891,893	1	-14,680,052	22,396,007
Oklahoma	29,399,405	27,547,436	-1,851,969	-6	-6,632,929	4,750,309
Oregon	21,597,009	24,391,881	2,794,872	13	-1,438,429	8,640,860
Pennsylvania	77,610,547	90,485,531	12,874,984	17	-2,829,116	34,561,599
Rhode Island	9,125,648	7,327,441	-1,798,207	-20	-3,069,912	-42,043
South Carolina	33,002,830	30,371,580	-2,631,250	-8	-7,902,350	4,647,890
South Dakota	6,280,904	6,484,117	203,213	3	-922,130	1,757,257
Tennessee	47,749,408	40,382,752	-7,366,656	-15	-14,375,233	2,311,854
Texas	163,614,080	159,392,532	-4,221,548	-3	-31,884,715	33,979,967
Utah	20,659,499	20,696,618	37,119	0	-3,554,856	4,997,465
Virginia	52,997,812	50,220,706	-2,777,106	-5	-11,493,096	9,259,262
Vermont	3,797,122	4,617,715	820,593	22	19,171	1,927,318
Washington	39,923,471	42,918,991	2,995,520	8	-4,453,230	13,281,890
Wisconsin	40,286,498	42,189,096	1,902,598	5	-5,419,477	12,014,034
West Virginia	17,586,779	14,481,426	-3,105,353	-18	-5,618,659	365,402
Wyoming	4,967,977	4,426,568	-541,409	-11	-1,309,656	519,504

Table Notes

[1]Equals the number of students identified under IDEA in each state X $413 (the allocation per student for the year 94-95)

[2]Equals 7.26 percent of the state's resident population X $413; 7.26 is the national percentage of the population that is identified under IDEA. Thus, this column represents the amount of money the states would have received for their IDEA students in 94-95 if the formula were changed.

[3]Equals how much money the state would have gained or lost had the population-based formula been used for 94-95.

[4]Equals the states gain or loss as a percentage of their actual allocation in 94-95

[5]Equals how much money the state would have gained or lost had the population-based formula of 6% of resident population been used for 94-95

[6]Equals how much money the state would have gained or lost had the population-based formula of 9% of resident population been used for 94-95.

[7]Information may be misleading for states with large numbers of students served through Chapter 1, State Operated Programs (e.g., the District of Columbia)

Other Adjustments in the Formula

As indicated by the IG report, a change to a census-based formula could be accompanied by other adjustments. The IG has stated that a census-based allocation which includes adjustments to individual states based on poverty "would provide each state with an equitable share of Special Education funds." The rationale provided for this position is that high concentrations of poverty have been associated with greater numbers of children being identified as disabled; therefore, high poverty areas should be targeted for more intensive and earlier interventions. The IG report's assertion that poverty is an "independent measure of the need for special education services," however, may be challenged by advocates or state representatives. Some states may respond that the recommended changes do not support their historical choices regarding the appropriate percentage of children to be identified as disabled. Furthermore, the poverty adjustment appears to conflict with the definition of learning disabilities, the category that accounts for over half of the children identified under IDEA. Children whose learning problems are primarily the result of environmental, cultural, or economic disadvantage are explicitly excluded from identification as students with learning disabilities. Finally, federal Title 1 programs already allocate supplemental funds to high poverty areas, and an IDEA which anchors the prevalence of disabilities to poverty could be seen as redundant.

As a part of any proposal to change the federal funding formula, educators and policy makers must come to terms with the fundamental issue: How much money will be available to support special education services to children with disabilities? Changing to a census-based formula may be perceived as a means to reduce or as accompanied by a reduction in federal financial support. Federal allocations have never approached the levels of funding intended in the 1978 authorization, and education and advocacy organizations will likely resist any change which does not include efforts to live up to those earlier promises.

...policy makers, epidemiologists, and the public will need to reach a consensus on what percentage represents an acceptable estimate of the prevalence of disabilities in the school-age population.

Controversy will continue to accompany the discussions regarding the manner in which federal dollars are provided to support states' efforts to implement the ambitious mandates of IDEA for all children with disabilities. Systematic analyses of the goals, assumptions, and actual effects of proposed changes are needed to ensure the effective, efficient allocation of public monies and continuing public support for services for children with disabilities.

Project ALIGN:
"Supporting Data Based Decision Making To Align The Intent and Implementation of IDEA With the Goals of National Education Reform"

ALIGN Staff

Co-Directors
Donald P. Oswald, Ph.D.
Commonwealth Institute for Child and Family Studies /Virginia Commonwealth University
DOSWALD @ GEMS.VCU.EDU
Martha J. Coutinho, Ph.D.
Department of Human Development and Learning / East Tennessee State University
COUTINHO @ EDUSERV.EAST-TENN-ST.edu
Melissa A. Mitchell
Earl Riggins

For more information or a copy of this Issue Brief, please Contact Project ALIGN
Commonwealth Institute for Child and Family Studies, Box 980489, Richmond, VA 23298.

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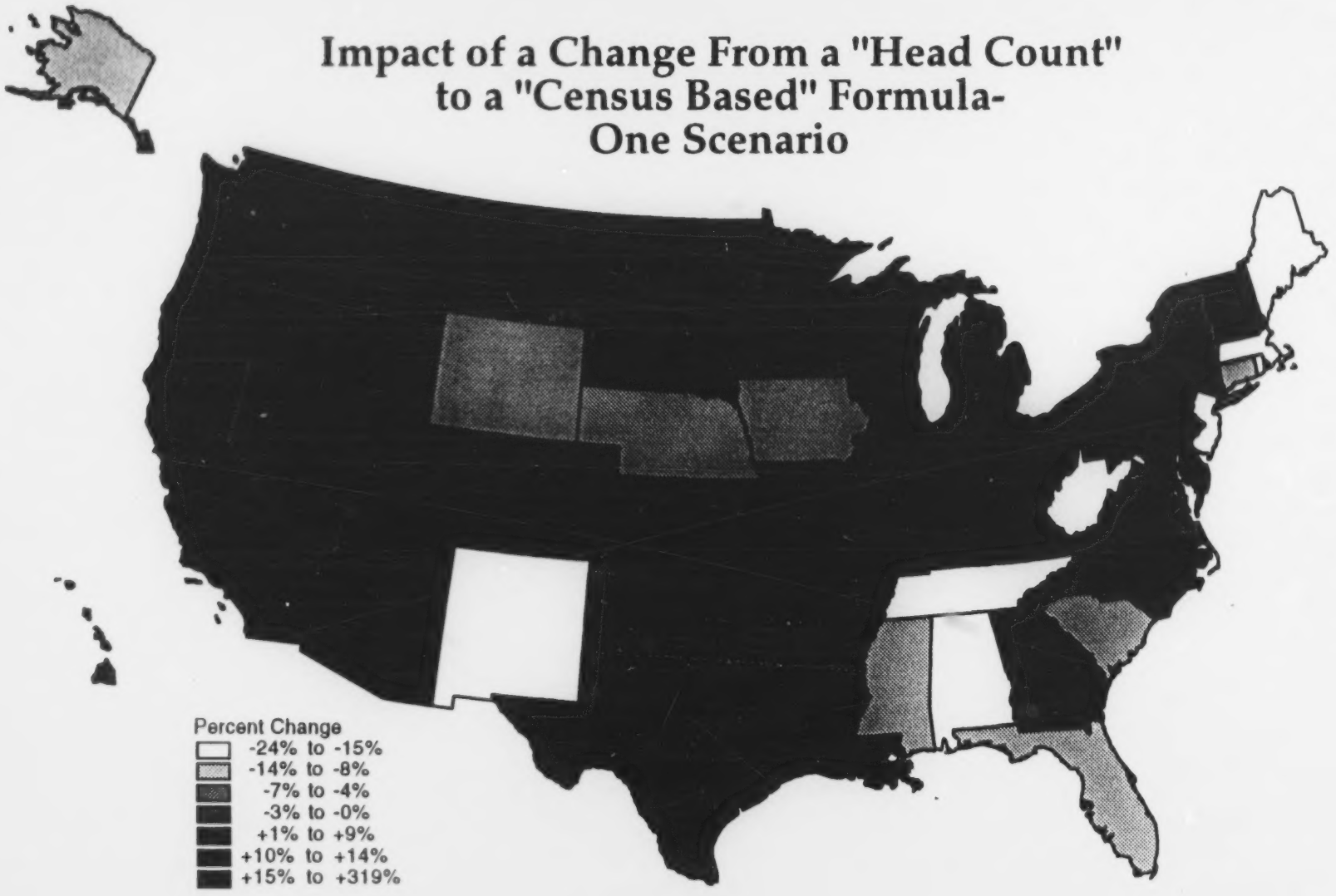
Impact of a Change From a "Head Count" to a "Census Based" Formula- One Scenario



Notes- 1. Intervals represent ranges of percent change in state allocation from FY 1994.
2. Census based formula reflects 1993 resident population average of 7.26% students with disabilities.

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School Completion Rates for Children with Disabilities

A Project ALIGN *Issue Brief* November 1996

The Role of Economic and Demographic Factors

The Importance of School Completion

As we design the service delivery systems for the 21st century, the overriding issue for children with disabilities is not access to opportunities or procedural guarantees, but how to achieve substantially better vocational and social-personal outcomes. In the last ten years, educators and the public have become much better informed about the unsatisfactory levels of employment, school completion, adult independence, and participation in postsecondary education for students with disabilities. Although school completion alone is not a sufficient indicator of long term successful adjustment, it must be regarded as important. Blackorby and Wagner (1996) reported recently regarding trends in employment in their follow along study of a national representative sample of youth with disabilities five years after leaving school:

> Completing secondary school appears to have paid off for high school graduates with disabilities. They showed a 12 percentage point increase over the 3-year period, whereas the gains among dropouts and ageouts . . . were not statistically significant. Three to five years after high school, graduates were significantly more likely to be employed than were peers who had either dropped out or aged out (p. 405).

In 1990, IDEA, as amended by P.L.101-476 mandated the provision of systematic In 1990, IDEA, as amended by P.L.101-476 mandated the provision of systematic transition planning and services to begin no later than age 16 for all youth with disabilities. The need to better understand and to influence school completion rates and increase the effectiveness of transition services is particularly important if individuals with disabilities are to participate effectively in the opportunities afforded by the School-to-Work Opportunity Act of 1994 (P.L. 103-239). States implementing the transition services mandate and related initiatives supported by the School to Work Opportunities Act or discretionary programs authorized under IDEA are connecting services for youth in the general population and programs for students with disabilities.

Although much information is available regarding the importance of school completion, our understanding of the factors that influence school completion rates remains limited.

Although much information is available regarding the importance of school completion, our understanding of the factors that influence school completion rates remains limited. The research, practice, and policy discussions are often discordant and strident in tone. They are not easily presented as cohesive and persuasive accounts of effective responses to issues related to school completion for children with disabilities. The difficulties with such presentations have become even more apparent in the efforts to inform Congress and the public of key issues related to the reauthorization of IDEA. Public education systems are vulnerable to shifts in social, political, and economic factors over which they have no direct control. A broader context is needed to secure renewed public commitment to special education services. If the gains of the past two decades are

to be preserved and built upon, we must extend our knowledge base regarding social forces that affect the implementation of special education and related legislation.

Researchers are increasingly interested in the incorporation of a broadening array of social and political factors that may influence special education outcomes. Investigators have begun to examine the relationships among child variables, school program characteristics, student/community demographic characteristics, socioeconomic variables and special education outcomes (Benz, Yovanoff, & Doren, 1997; Halpern, Yovanoff, Doren, & Benz, 1995; Heal & Rusch, 1995).

Such research illustrates the complexity of the relationships among sociocultural variables and educational outcomes. National research is often hindered, however, by the scope of the data collection and data management tasks; as a result, most of the studies have relied on local or regional samples, and did not include economic and demographic variables. The substantial amount of information collected annually regarding children with disabilities by the U.S. Office of Special Education Programs and the data amassed regularly by the National Center for Education Statistics about educational, economic, and social indicators for all of the nation's school districts is relatively untapped.

This Project Align *Issue Brief* reports on investigations of variation in states' school completion rates and the relationship of school completion to economic, sociodemographic, and educational variables. Descriptive profiles of state and national trends provide a picture of the school completion rates for all children with disabilities, and for students with Specific Learning Disabilities (SLD), Serious Emotional Disturbance (SED), and Mental Retardation (MR) separately. Subsequent analyses produced predictive models of the relationships among school completion rates and a number of economic, educational, and demographic variables. In addition, interviews were conducted with state department of education personnel in three states with relatively high rates of graduation for students with disabilities. These interviews were focused on states' experiences and practices regarding the enhancement of special education graduation rates.

> Graduation rates for children with disabilities ranged from .07 percent of the resident population in Arkansas to .47 percent in Virginia

Diplomas or Certificates?

States' 1992-93 school completion rates for children with disabilities were calculated from the national data set maintained by the U.S. Department of Education (U.S. Office of Special Education Programs) that is used to provide information about the status of the implementation of IDEA.

For the present study, we extracted from the data set the number of children, ages 14 and older, who were identified as students with disabilities in the public school system and who exited the educational system in 1992-93 in each of the 50 states and the District of Columbia. Because states were given the option of using the earlier system or a newly introduced system for reporting their exiting data, not all of the exit categories can be compared across states. As a result, we examined only "Graduated with diploma" and "Graduated with certificate," two categories that were defined the same in both reporting systems.

Overall, approximately 138,385 youth with disabilities left school with a diploma or a certificate during 1992-93. We chose to compute exit figures as a percent of the resident population to avoid distortions related to different identification rates. An accurate depiction of the school completion rate figures is "the percent of the resident population that was identified as students with X disability and that exited the system by Y means."

Graduation rates (diploma and certificate combined) for children with disabilities ranged considerably, from .07 percent of the resident population in Arkansas to .47 percent in Virginia (see Figure 1). Further, states varied widely in their use of diplomas and certificates. Some states (NJ, MA, RI) do not grant certificates while others (MS, AL, TX) present more certificates than diplomas to students with disabilities.

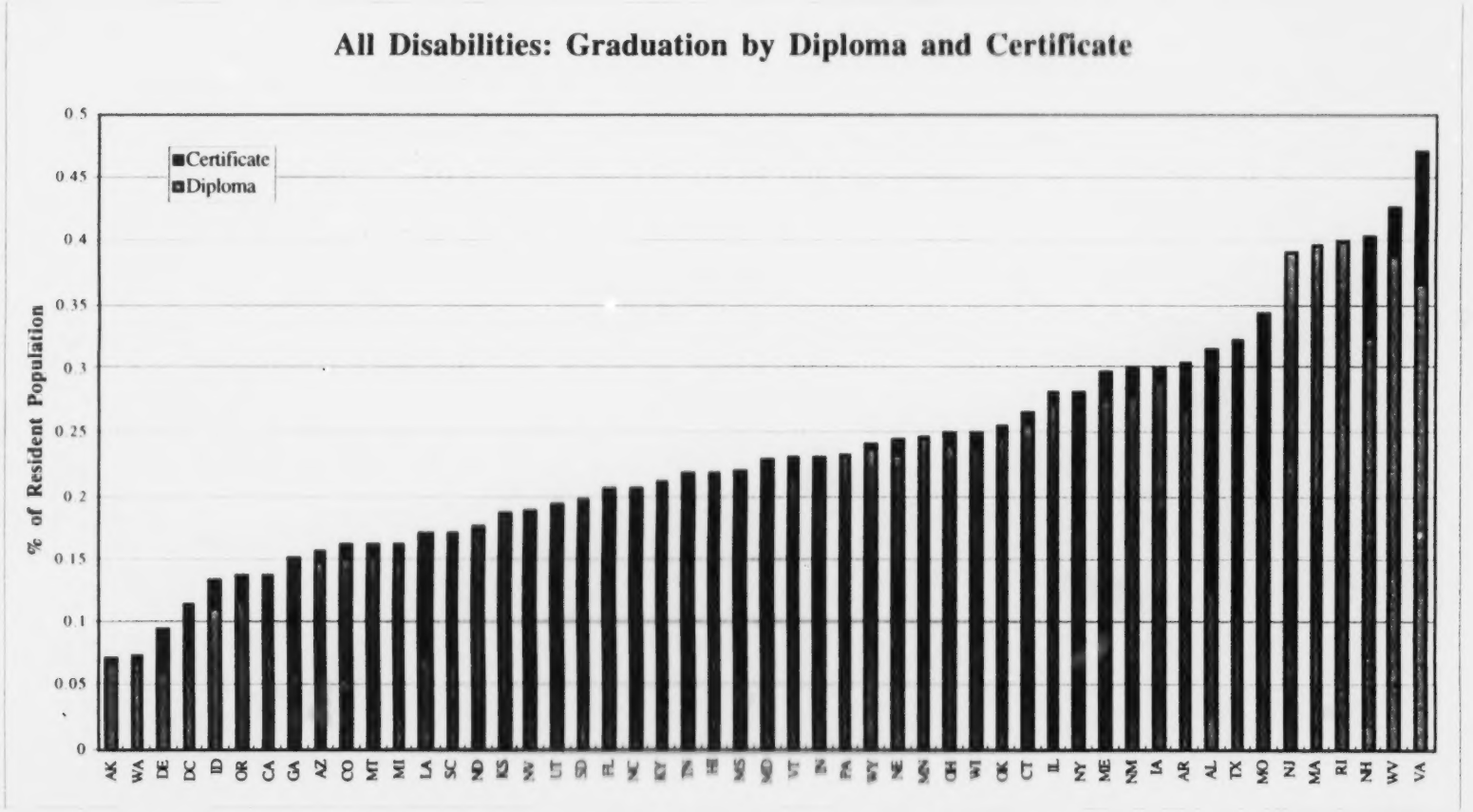

Figure 1
Graduation Rates for All Disabilities Combined

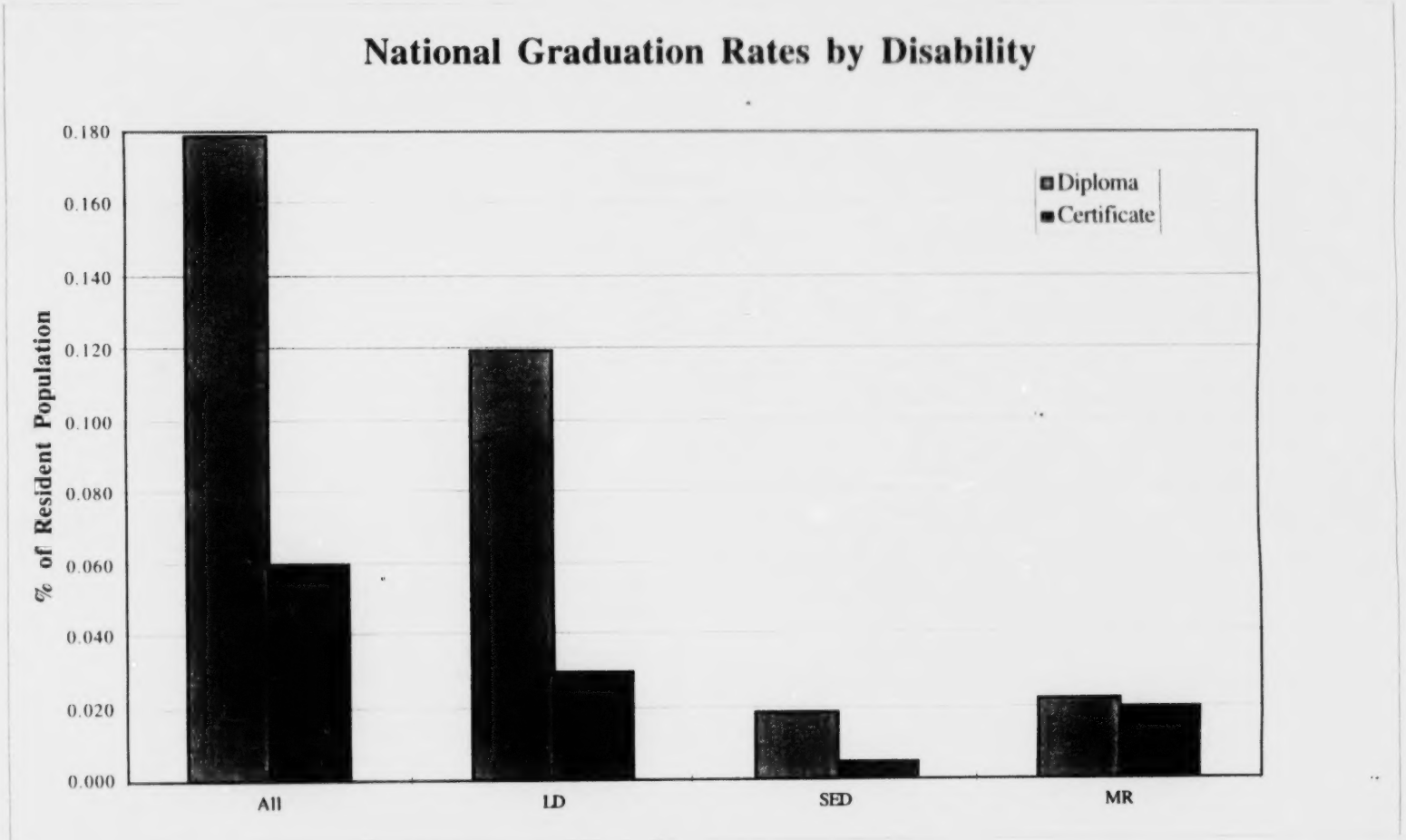

Figure 2
National Rates for Graduation by Diploma and Certificate

Table 1
Variables included in prediction models

- *Graduation / Diploma / Certificate rate* - the number of students identified as eligible for special education (with a particular disability) who exited school services with a diploma/certificate, divided by the state's resident population, ages 6-21 years.
- *4th grade reading proficiency* - State average for 4th grade NAEP reading proficiency scores
- *8th grade math proficiency* - State average for 8th grade NAEP math proficiency scores
- *Student-teacher ratio* - Ratio of students to teachers for state as a whole
- *Average teacher salary* - Mean of states' teachers' salaries
- *Percent (of school staff) that are aides* - Number of aides divided by total number of instructional and noninstructional staff
- *Chapter 1 funding* - Total amount of Chapter 1 program funding divided by school enrollment
- *Per pupil revenue* - Total amount of states' education revenue divided by school enrollment
- *Current expenditure per pupil* - States' current education expenditures divided by school enrollment
- *Percent revenue from local sources* - Percent of states' educational revenue that comes from local sources
- *Percent revenue from state sources* - Percent of states' educational revenue that comes from state sources
- *Percent revenue from federal sources* - Percent of states' educational revenue that comes from federal sources
- *Elem/Sec Ed. expenditures per capita* - States' expenditures on elementary and secondary education divided by population
- *Educational expenditures per capita* - States' expenditures on all education divided by population
- *Educational Expenditures as % of GSP* - States' expenditures on all education divided by the Gross State Product
- *Human Services expenditures per capita* - States' expenditures on all human services programs divided by population
- *Gross State Product per capita* - Gross State Product divided by population
- *Median household income (1990)* - Median income for all households in state
- *Percent of households earning < $25,000/yr* - Percent of households that report earning less than $25,000 per year
- *Per capita income* - Total personal income divided by population
- *Population density* - Number of persons per square mile
- *Community adult dropout rate* - States' dropout rate for adults
- *Percent white* - Percent of the population that is identified as White
- *Percent of households below poverty level (1992)* - Percent of households that report income below the poverty level
- *Community adult % unemployment* - Percent of adults that are classified unemployed

National figures for graduation by diploma and by certificate demonstrate clearly that diplomas are provided more frequently than certificates for all disability groups combined, for students with LD and for students with SED (see Figure 2). Students with MR receive diplomas and certificates in about equal proportions.

Predicting Graduation

The descriptive findings cited above make it clear that school completion by students with disabilities shows considerable variation across states. In an effort to understand the meaning of that variation, we created a set of predictive models that examined the relationship between these school completion variables and other relevant characteristics of states.

A set of educational, economic, and demographic variables was extracted from the National Center for Educational Statistics electronic catalog (NCES, 1992). The catalog is a collection of tables summarizing information relevant to education. The selection of variables that were judged relevant to school completion by children with disabilities were chosen for inclusion in the analyses was informed by previous related studies (Coutinho & Oswald, 1996; McLaughlin & Owings, 1992; Oswald & Coutinho, 1995, 1996).

Three types of variables were included in the models: education variables, demographic variables that characterized significant features of states and their populations, and economic variables that captured important aspects of states' fiscal circumstances. A detailed listing of the variables may be found in Table 1.

Predictive models were constructed using a stepwise linear regression procedure that tests which of the predictors contribute significantly an explanation of the variation in the response variables. Inclusion in the final model means that the predictor contributes significant unique variance to the model.

Table 2
Predicting Graduation of Special Education Students by Diploma in 1992-93

Disability Condition	Predictors Entering Stepwise Model	Bivariate Correlation	Model R^2
All	4th grade reading proficiency	.63	.59
	8th grade math proficiency	.46	
	Current expenditure per pupil	.25	
SLD	4th grade reading proficiency	.54	.54
	8th grade math proficiency	.36	
	Current expenditure per pupil	.27	
SED	Per pupil revenue	.47	.62
	4th grade reading proficiency	.58	
	Median household income (1990)	.49	
MR	Percent white	.52	.70
	All Education Expenditures per capita	-.22	
	Percent of households below poverty level (1992)	.03	
	% Revenue from state sources	.05	
	Population density	-.14	
	8th grade math proficiency	.28	

Table 3
Predicting Graduation of Special Education Students by Certificate in 1992-93

Disability Condition	Predictors Entering Stepwise Model	Bivariate Correlation	Model R^2
All	Community adult dropout rate	.50	.59
	Percent white	-.38	
	Population density	-.04	
	% Revenue from state sources	.00	
	Average teacher salary	-.26	
	Gross State Product per capita	-.07	
SLD	Percent of households below poverty level (1992)	.39	.15
SED	% Revenue from local sources	.25	.29
	Population density	-.11	
	Percent white	-.09	
MR	Community adult dropout rate	.59	.29

Two sets of predictive models explored the variation in the percent of special education students who graduated. Table 2 summarizes the findings for students graduating with a diploma and Table 3 for students graduating with a certificate. The Diploma models appear to consist largely of achievement, wealth, and expenditure variables and account for roughly three-fifths of the variation across states. The MR model should be interpreted with caution because the base rate for students with MR who receive a diploma is quite low. The models for predicting graduation by certificate are generally somewhat weaker, particularly for students with SLD and SED. The MR model is of some interest, accounting for slightly over one fourth of the variation in the rate of completion with a certificate. States that have higher adult dropout rates tend to have more MR students graduating with certificates.

Diploma models consist largely of achievement, wealth, and expenditure variables and account for roughly three-fifths of the variation across states.

Increasing Graduation Rates: Experiences of Three States

To complement our understanding of factors affecting school completion rates, three states were identified who have been relatively more successful in achieving a higher school completion rate for youth with disabilities. These states were selected on the basis of the most recent four year period for which data was available (school years 1989-90 through 1992-92). States chosen were those that demonstrated relatively high and stable percentages of students with disabilities who exited by means of a diploma or certificate. Table 4 summarizes demographic characteristics of the states.

State level special education personnel were interviewed in each selected state regarding experiences and initiatives to increase the graduation rate of students with disabilities. Respondents were asked about exit requirements for a regular diploma for youth with and without disabilities and about state initiatives intended to increase completion rates for youth with disabilities. All interview respondents described sustained leadership and a focus on school completion and preparedness for youth with disabilities. All three states were recipients of a state-wide transition systems change grant from the U.S. Office of Special Education Programs. None of the states had altered school completion requirements substantially in the last several years.

In one state, a literacy exam, in addition to specified course credits, is required for a standard diploma. In the other states, no competency test is required; however, in one case, state-wide assessments are administered for program planning purposes, and standards related to these assessments are under development, for possible application as a part of a voluntary system. In the third state, students demonstrate mastery of the state core curriculum through completion of specified courses. Students with disabilities may be given modifications in stimulus and response requirements to demonstrate mastery. A separate state wide assessment system (using the Stanford Achievement Tests and a separate measure for students with severe disabilities) is also administered.

Each selected state is implementing a number of initiatives related to school completion. In one case, the statewide transition systems change grant provides technical assistance in collaboration with vocational rehabilitation centers. Other initiatives include comprehensive career and vocational assessments of students in grades 9 and 10 and technical assistance in transition planning through a state supported project. A matrix is under development to help educators match academic and vocational competencies. Much of the impetus for this initiative can be traced to a comprehensive assessment of the needs of youth with disabilities completed in

Table 4
State Characteristics

Feature	State 1	State 2	State 3
Population Density	Middle	Middle	Low
Location	Mid-Atlantic	Northeast	West
Percent White Resident Population	Middle	High	High
Number of School Districts	141	283	40
Percent of Adults Who Dropped Out	24.9%	21.2%	14.9%

1994. New, and more rigorous, accreditation standards for all youth are under consideration and may impact graduation rates for youth with disabilities.

In the second state, a statewide transition systems change grant has been implemented for five years to provide training in student-centered and outcome-centered transition planning. In addition, a state initiative to increase graduation rates to 90% for all youth was implemented This initiative was linked to GOALS 2000, state legislation, and activities supported under the School to Work Opportunities Act and the transition planning component of IDEA. GOALS 2000 provided additional funds to support some of the related activities.

In the third state, a multi-year emphasis on increasing school completion rates began with a 1990 follow up study of normally achieving students and students with disabilities. Study results were used to shape several statewide initiatives. The state has implemented a five year transition systems change grant with an emphasis on life-span transition planning and student self-advocacy and participation. Regional coordinating councils were formed to develop capacity and to support liaison among local agencies (e.g., Job Training Partnership Act representatives, vocational rehabilitation). A School to Work Grant was also implemented to assist all students, including those with disabilities, to make a successful transition from school to a career. State department of education support for a staff person to support these efforts was provided. Initiatives for youth with disabilities were linked to better outcomes for all youth in a reorganization of several state agencies to serve all youth who are at risk for educational failure.

In each of the states, efforts are underway to "institutionalize" the functions that have been provided through the statewide transition systems change grants, to refine the use of information obtained from state wide assessments (e.g., as voluntary or compulsory standards), and where possible, to link school completion, preparedness, and transition initiatives for youth with disabilities to related initiatives for all youth.

Conclusions And Recommendations

The purpose of this brief was to provide a broader context within which to understand how students with disabilities complete school. The descriptive analyses of states' school completion rates for children with disabilities portray substantial variation across states and disability conditions. School completion rates, even at the descriptive level, are difficult to understand. Students may receive either a diploma or certificate when they complete school, and states' relative use of diplomas as compared to certificates varies considerably.

Different predictor variables accounted for state variations in rate of school completion by diploma versus certificate, and the predictor variables were better able to account for variation in rates of exit by diploma. Achievement variables (math or reading proficiency)

functioned as significant predictors of exit by diploma for all disabilities. Education expenditures were positively related to SLD diploma rates but inversely related to MR diploma rates. Community wealth (median income or poverty) also enters into the models for SED and MR. For exit by certificate, demographic variables entered strongly into the models; poverty was positively associated with SLD certificate rates and dropout rates with MR certificate rates. Population density and percent white were both inversely related to SED certificate rates; the strongest predictor in the SED model, however, was percent revenue from local sources. In sum, the predictors of rates for exit by diploma versus certificate are distinct and vary by disability category. These analyses suggest economic, demographic, and educational variables all influence school completion rates, but in distinct and complex ways. Additional research will be needed to better understand the factors influencing the two forms of school exit and to take into account the substantial variation across states in their relative use of diplomas versus certificates.

In sum, the predictors of rates for exit by diploma versus certificate are distinct and vary by disability category.

The addition of analyses of economic and demographic variables and the interviews with states relatively successful in achieving high school completion rates for youth with disabilities offers the possibility of a more comprehensive understanding. The findings suggest the following recommendations:

1) *Base reform and change initiatives on a Data Based Information Pool.* In each session of Congress, lobbyists complain about the data collection and reporting burdens experienced by state and local education agencies. At the same time, amendments to IDEA and other initiatives frequently increase data requirements although the data are rarely analyzed or used in a manner to inform Congressional, federal administrative, state or local reforms to improve educational services and outcomes for children with disabilities. Only the consistent systematic application of a data based information pool, comprised of a broad set of variables, will be sufficient to guide policy and practice. Each of the states interviewed for the study reported systematic and ongoing collection of student assessment and program information to plan, implement and evaluate initiatives for improving school completion.

2) *Refashion our visions of what makes special education special using emerging knowledge about relationships between economic, educational and demographic variables and disability issues.* Professional debate over what constitutes special education, for example, as provided in inclusive environments (Zigmond, 1995), may be expected to continue. The visions and expectations that are emerging to represent the "richest educational environments" (Pugach, 1995), that is, ones that promote success for students with disabilities, are best based on an understanding of the roles of economic, demographic and educational program variables. Substantial progress can be made in addressing issues of outcomes for children with disabilities by evolution in existing, promising models of special education settings, such as the PASS variable evaluation system (Scruggs & Mastropieri, 1995) which includes prioritized instruction, adapted instruction, effective teacher presentation, and systematic evaluation procedures. Systematic study of the efficacy of such a model when expanded to incorporate the influence of economic, cultural, and other program variables may be expected to yield powerful recommendations for improving school completion for children with disabilities. When combined with vigorous state leadership and linkages with broad based initiatives in education, school completion rates and preparedness for adult life roles for youth with disabilities may be expected to increase substantially.

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Project ALIGN:

"Supporting Data Based Decision Making To Align the Intent and Implementation of IDEA With the Goals of National Education Reform"

For more information about this *Issue Brief* or other Project ALIGN products, please contact:

Donald Oswald, Ph.D.
Commonwealth Institute for Child and Family Studies
Medical College of Virginia
P.O. Box 980489
Richmond, Virginia 23298
or
Martha Coutinho, Ph.D.
East Tennessee State University
HDAL, P.O. Box 70548
Johnson City, TN 37614

Issue Brief Editor:
Melissa Mitchell, East Tennessee State University.

Ethnicity in Special Education

A Project ALIGN *Issue Brief* January 1997

A Macro-level Analysis

Congressional Concern Grows

The Individuals with Disabilities Education Act (IDEA) reports that although the numbers of children from diverse backgrounds in the nation's schools are increasing significantly, many of these children do not receive a free, appropriate, public education. Congress concluded that there is a *compelling need to obtain greater success in the education of minority children with disabilities* and that *a more equitable distribution of resources is needed to provide an equal educational opportunity for all individuals* (IDEA, Section 1409).

Congress observed in IDEA that there were several problems for minority students in special education. These included: the apparent disproportionate representation of children from diverse backgrounds in special education, the over-representation of African-American students in poverty as students with mental retardation, the unacceptably high drop out rates for minority children in special education, and the lack of, or inappropriate services to limited-English students.

IDEA states: "Greater efforts are needed to prevent the intensification of problems connected with mislabeling and high dropout rates among minority children with disabilities. More minority children continue to be served in special education than would be expected from the percentage of minority students in the general school population. Poor African-American children are 3.5 times more likely to be identified by their teacher as mentally retarded than their white counterparts. Although African-American students represent 12 percent of elementary and secondary enrollment, they constitute 28 percent of the total enrollment in special education. The drop out rate is 68 percent higher for minorities than for whites. More than 50 percent of minority special education students in large cities drop out of school" (IDEA USC 1409[1][B]).

There is a compelling need to obtain greater success in the education of minority children with disabilities (IDEA).

Minority children with disabilities, living in urban and high poverty environments are believed to be at a particularly high risk for educational failure and poor outcomes because of inappropriate identification, placement, and services. African-American students are over-identified and placed in overly restrictive settings (U.S. Department of Education, 1995).

Other evidence abounds that children from minority backgrounds may not be appropriately served under IDEA. Wagner and colleagues reported that "the percentage of students in special education who were Black was higher than the corresponding percentage in the general population of youth aged 15 to 19 (Wagner et al., 1991). This finding was based on a nationally representative sample of youth with disabilities. These researchers also found that the percentage of Hispanic children in special education was higher than in the general population of youth aged 15 to 20; other reports have found Asian-American and Native American children are often under represented in special education (U.S. Department of Education, 1994).

It is a more frequent phenomenon for minorities to comprise the majority of public school students.

Recent studies have reported that children representing non-dominant cultures, particularly African-American children, are more likely to be placed in more segregated settings than children from the dominant culture (Obiakor, 1992; Ogbu, 1987; Singh, Ellis, Oswald, Wechsler, and Curtis, 1997; U.S. Department of Education, 1994). Further, schools have particular difficulty providing appropriate educational services to students whose first language is not English (Baca & Cervantes, 1984; Gersten & Woodward, 1994).

Diversity is Increasing

Congress has found that the poor educational experience and outcomes for minority children with disabilities is particularly significant because America is becoming more diverse. By the year 2000, one in every three Americans will be either African-American, Hispanic, or Asian-American. The rate of increase for white Americans is lower than for

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other racial and ethnic groups (IDEA, 20 USC 1409[j]).

America's changing ethnic and racial profile is having a tremendous impact on the educational system: "it is a more frequent phenomenon for minorities to comprise the majority of public school students," and although the limited English proficient population is "the fastest growing in our Nation, [there are] discrepancies in the levels of referral and placement of limited-English proficient children in special education. The Department of Education has found that services provided to limited-English proficient students often do not respond primarily to the pupils' academic needs" (20 USC 1409[j][A]).

Congressional findings also described an educational system in some districts where students from diverse backgrounds currently represent the majority--an overwhelming majority in many large city school populations. In the two largest school districts in the country, almost half of those entering kindergarten are students who are limited-English proficient.

While the student population of the nation's schools is increasingly diverse and ethnic "minorities" are fast becoming a majority, individual states show dramatically different ethnicity base rates and rates of change with regard to students' ethnicity. In 1992, for example, the percent of the public school student population identified as "White / Caucasian" ranged from a low of 4% in the District of Columbia to a high of 97.7% in Vermont.

Examining Ethnicity and Special Education

Educators increasingly regard ethnic representation in special education as a complex, important issue. As a first step, however, we believe the issue of ethnicity and special education must be viewed in the larger context of the diversity of the entire student population. In this *Issue Brief*, we investigate the role of ethnicity in special education by examining the impact of base rates of ethnicity on the identification, placement, and graduation rates of children with disabilities. This method focuses on system characteristics rather than individual student characteristics. Our intent is to base the investigation on the ethnicity distribution of students in the states' public education systems rather than on the ethnicity of students in special education. Therefore, we explored the relationship between the percent of non-white students in states' school populations and the rates at which special education students are(a) identified, (b) placed in restrictive settings, and (c) graduate from school.

To conduct the analyses we obtained state data for the percent of children who are white, the numbers of children with disabilities who are identified as disabled, the settings in which these students receive services, and how they leave school. The specific variables used in the analyses are defined in Table 1.

...individual states show dramatically different ethnicity base rates and rates of change with regard to students' ethnicity.

The Percent White variable was extracted from the National Center for Educational Statistics electronic catalog (NCES, 1992). The catalog is a collection of tables summarizing information relevant to education. Special education variables were taken from a large data set obtained through the cooperation of the U.S. Department of Education. This data set includes recent identification, placement, and exit data available for children with disabilities for each of the 50 states and the District of Columbia. The data are identical to those published in the *Seventeenth Annual Report to Congress* (U.S. Department of Education, 1995) within the limits of rounding error, except for isolated cases in which the data set was updated after the *Annual Report* went to print.

Identification and Ethnicity Rates

The correlation between Percent White and Identification Rate is quite low and non-significant ($r = .17$). That is to say, at the state level, ethnicity of enrollment does not appear to be related to the rate of identification of students with disabilities.

Placement

With regard to placement in regular class settings, ethnicity is a statistically significant predictor. Percent White correlates moderately and positively with Percent Regular Class ($r=.42$; $p=.003$) indicating that those states with a higher proportion of White students serve more of their special education students in regular class settings. Figure 1 illustrates this relationship in a scatter plot. The state abbreviations are plotted as points. Where states are clustered together very closely, the state abbreviations are shown in a "block."

The scatter plot reveals that West Virginia, Arizona, and the District of Columbia, for example, serve very few of their special education students in regular class settings (about 10 percent), although they have very different ethnicity distributions.

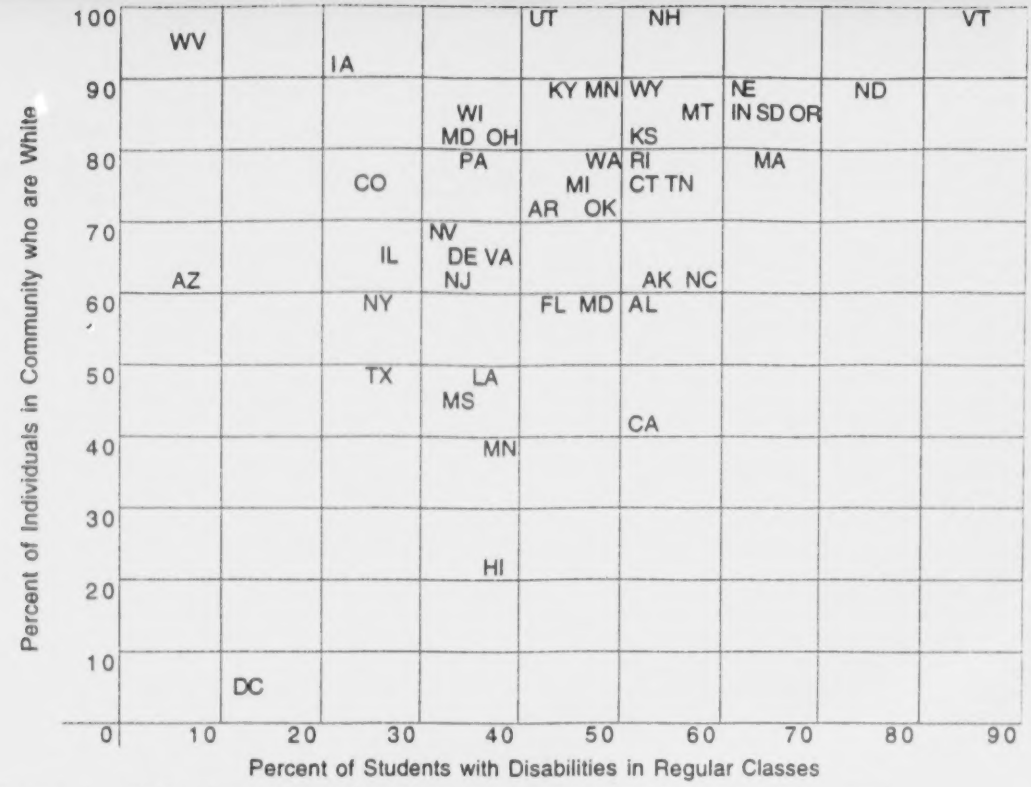

Figure 1. State Level Relationships Between Ethnicity and Placement in Regular Classes

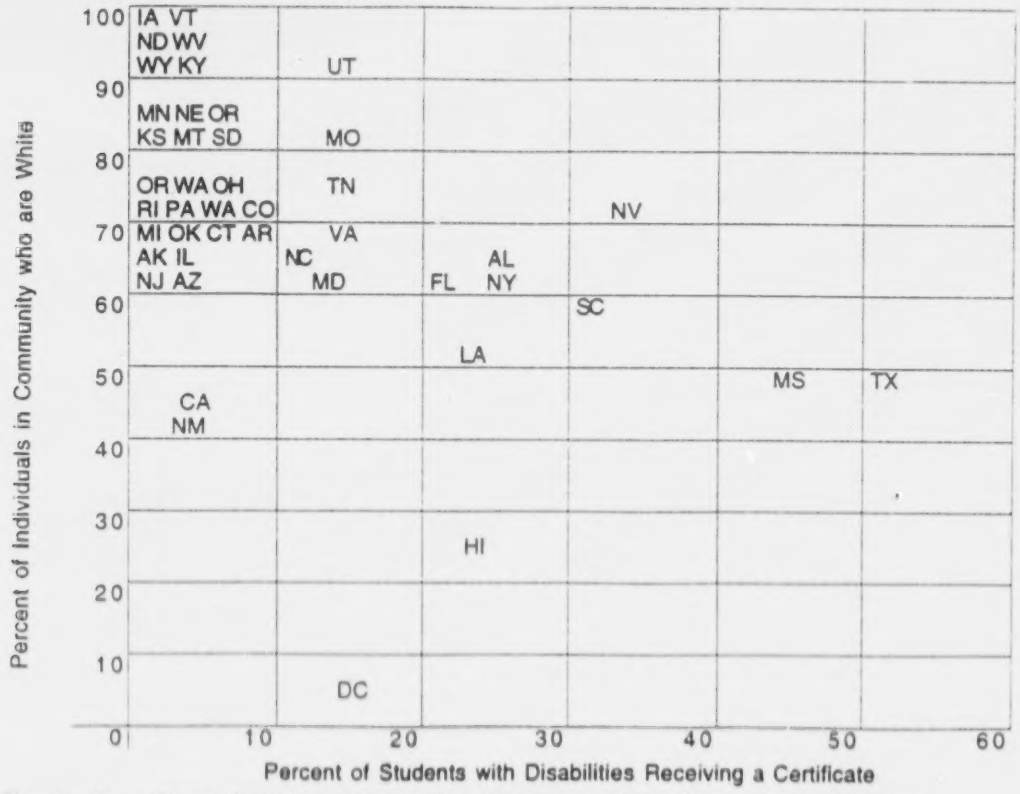

Figure 2. State Level Relationships Between Ethnicity and Certificates

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Table 1
Variables included in Ethnicity Analyses

Percent White	The percentage of the 1992 enrollment in the state's public elementary and secondary school that was identified as white.
Identification Rate	The percentage of the state's resident population (age 6-21) that was identified as eligible for special education in the school year 1993-94; this includes all disability categories.
Percent Regular Class	The percentage of the state's special education students that received a majority of their education program in a Regular Class setting and received services outside the regular classroom for less than 21% of the school day.
Diploma Percent	The number of special education students in the state that graduated with a diploma, expressed as a percentage of all special education students who exited the system.
Certificate Percent	The number of special education students in the state that graduated with a certificate, expressed as a percentage of all special education students who exited the system.

North Dakota and Vermont, on the other hand, have mostly White student populations and serve most of their special students in regular class settings (about 70 percent and 85 percent, respectively).

Graduation and Ethnicity Rates

The findings for graduation are more complicated. Some states graduate special education students by diploma, some by certificate, and many by both diploma and certificate. Therefore, we examined the relationship of ethnicity to graduation by diploma, by certificate, and by diploma and certificate combined. These analyses revealed that ethnicity is not significantly related to graduation by diploma ($r=.22$) nor to diploma and certificate combined ($r = -.18$).

...states with a higher proportion of White students serve more of their special education students in regular class settings.

Ethnicity, however, is moderately correlated with Certificate Percent ($r = -.51$). The negative sign of this correlation indicates that states with a higher Percent White have fewer of their special education students leaving by graduating with a certificate.

Figure 2 portrays this relationship in a scatter plot; again, the state abbreviations are plotted as points. Where states are clustered together very closely, the state abbreviations are shown in a "block."

Implications and Next Steps

The analyses reported above illustrate the value of exploring special education data at a macro level. Before seeking to explore the problem of disproportionate representation of ethnic minorities in special education, we need to understand the larger context: the relationship of ethnicity in the entire student population to special education variables of interest.

These findings demonstrate that, at the state level, ethnicity of the student population is unrelated to identification. This result undermines any suggestion that systems with a higher proportion of minority students serve more (or fewer) students in special education programs. Thus, any policy initiatives targeting special education identification rates may not need to address the ethnicity distribution of the student population as a whole.

The placement findings, however, reveal a different picture. The significant relationship between ethnicity and regular class placement is somewhat disturbing. Even at the relatively gross, macro-level of these analyses, the data suggest that ethnicity affects the continuum of placement options used by states. Further, the direction of this relationship indicates that systems that have greater proportions of minority students serve fewer of their special education students in regular classes. Such a relationship suggests that efforts to increase inclusion of special education students in regular education settings may be particularly important in systems with many minority students.

The correlation between ethnicity and placement does not provide information about the reason for the relationship. The finding does not mean that ethnicity is a causal factor in determining states' placement figures. The cause of greater or lesser use of regular classes for special education students is undoubtedly complicated by many varied factors. Nonetheless, the point of macro-level analyses such as those presented

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above is to explore relationships that may affect policy decisions.

The interpretation of the graduation findings is rather complex. If we consider graduation by diploma or by certificate to be a successful completion for students with disabilities, then ethnicity of the school population is unrelated to successful completion rates. The relationship between ethnicity and graduation by certificate, however, indicates that states with a higher percentage of minority students have a greater percent of their special education students leaving school with a certificate. Given that a certificate is generally viewed to be less desirable and less marketable than a diploma, the finding may be important at the state policy level. States with fewer minority students may have more lenient standards for graduation by diploma or may more actively discourage the use of the certificate of completion. Again, the correlation offers no clues about the cause of the relationship; but it is disturbing to note that completion by certificate is a more likely outcome for special education students living in states with higher proportions of minority students than for those living in states with more white students.

Ethnicity is important

The ethnicity distribution of students is a relevant system-level characteristic that relates to special education identification, placement, and graduation rates. These findings lay the groundwork for a next level of analyses designed to clarify the problem of disproportionate representation of minority students in special education. A set of analyses are underway now to capture how poverty, demographics, and other educational variables influence identification and placement in special education for African-American and Hispanic students. These studies are intended to assist in the current process of reauthorization of IDEA. Bills under consideration reiterate the concerns expressed in the currently authorized IDEA and call for states to collect additional data, and as necessary, take corrective actions.

The system-level study reported in this *Issue Brief* provides a foundation for these further studies and reinforces the impression that ethnicity and special education are interrelated in ways that are unplanned, unanticipated, and/or undesirable. The relationships also emphasize the point that policy reforms that do not consider the impact of ethnicity are likely to be short-sighted and to leave important aspects of the special education process unchanged.

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Project ALIGN:

"Supporting Data Based Decision Making To Align the Intent and Implementation of IDEA With the Goals of National Education Reform"

For more information about this *Issue Brief* or other **Project ALIGN** products, please contact:

Donald Oswald, Ph.D.
Commonwealth Institute for Child and Family Studies, Medical College of Virginia, P.O. Box 980489, Richmond Virginia 23298
or
Martha Coutinho, Ph.D.
East Tennessee State University, HDAL, P.O. Box 70548, Johnson City, Tennessee 37614.

***Issue Brief* Newsletter Editor**:
Melissa Mitchell, East Tennessee State University

Placement in Regular Classes and Separate Facilities

A Project ALIGN *Issue Brief* February 1997

The Role of Economic and Demographic Factors for Children with Disabilities

The Continuing Debate

The reauthorization of the Individual with Disabilities Education Act (IDEA; P.L. 101-476) symbolizes an enduring commitment to quality of life and equality of educational opportunities for all Americans, including those with disabilities. The contentious debate surrounding reauthorization, however, also signifies some disagreement and disappointment.

No one could have anticipated the lively debate in the years following the passage of P.L. 94-142, accompanying the issue of where special education services are to be provided. The requirement that children be served in "the least restrictive environment" (LRE) is a major provision of IDEA and "created a presumption in favor of educating students with disabilities in general education environments" (Hasazi, Johnston, Liggett, & Schattman, 1994, p. 491). IDEA also acknowledged the need for a range of alternative placements and called for placement decisions to be made on an individual basis. The commitment to increase opportunities for children with disabilities to be educated alongside their nondisabled peers has been evident in the many federal- and state-sponsored initiatives (U.S. Department of Education, 1994, 1995, 1996). However, the regulations implementing the LRE requirement have failed to provide educators and parents with sufficient guidance. The courts have entertained related legal actions, and the trend has been in favor of more inclusive services, though not universally or uniformly (Coutinho & Repp, in press; Osborne, 1996).

It is now quite possible to cite evidence supporting and refuting the benefits of inclusion for students with disabilities.

Efficacy studies comparing outcomes in various placements have intensified rather than resolved the debate (Fuchs & Fuchs, 1994, 1995; Zigmond, 1995). It is now quite possible to cite evidence supporting and refuting the benefits of inclusion for students with disabilities. Studies must be examined closely to determine the conditions believed responsible (e.g., specific instructional procedures, administrative arrangements), the reported benefits (e.g., social, achievement, or post school outcomes), and the actual disability conditions for which effects are described (Fuchs, Roberts, Fuchs & Bowers, 1996; Mather & Roberts, 1995; Zigmond, 1995).

Nowhere are the problems of misunderstanding and over-generalization more likely than in studies of national rates of placements in integrated settings. In the *Eighteenth Annual Report to Congress*, for example, the U.S. Office of Special Education Programs reported:

> During the past several years, the percentage of students with disabilities served in regular classes has increased considerably, while the percentage of students in resource rooms has gradually decreased. Other placement percentages have remained stable . . . As a result, for 1993-94, States reported serving 43.4 percent of students with disabilities ages 6-21 in regular classroom placements, 29.5 percent in resource rooms, 22.7 percent in separate classes, 3.1 percent in separate schools, 0.7 percent in residential facilities, and 0.6 percent in homebound / hospital placements (U.S. Department of Education, 1996, p. 66).

Whether this represents progress depends on many factors, including (a) one's understanding of the definitions of placement settings (e.g., regular class permits services outside of the regular class up to 20 percent of the day); (b) one's interpretation of variations in placement rates across disability conditions; (c) one's opinion regarding whether serving approximately seven percent more children in regular class settings is evidence of significant change; and (d) one's assumptions about the services available in a given setting.

Indeed, many different conclusions are possible but not all are responsible, bringing to mind Macmillian, Semmel, & Gerber's (1994) advice to use utilize empirical data, like the lamppost, for "illumination rather than support." Such guidance is quite apropos when examining the data regarding placement practices.

One approach to a better understanding of current placement rates and practice has examined the attitudes of teachers regarding inclusive practices. In a comprehensive synthesis of 28 studies spanning the 1958 through 1996 period, Scruggs and Mastropieri (1996) clarified the many seemingly different views that teachers have reported about serving students with disabilities in mainstream environments. In general, although a majority of teachers supported the concept and expressed a willingness to implement inclusive practices, teachers indicated differing levels of support for including students with disabilities, depending, in part, on the severity of the disability and the amount of additional teacher responsibility required. Scruggs and Mastropieri stated that classroom procedural concerns, including not having enough time or resources to implement inclusion, appear to influence teacher attitudes more than "affective responses to working with students with disabilities" (p. 64). The continuing debate, and the perception that the movement toward inclusion is inevitable, emphasize the need for a better understanding of the factors that contribute to the tremendous variation in placement rates.

Factors Influencing Placement Rates

Researchers are increasingly interested in the incorporation of a broad array of social and political factors that may influence special education practices. The impact of poverty is regarded as particularly important (e.g., Gottlieb, Alter, Gottlieb, & Wishner, 1994). Studies of the relationships between placement patterns and educational, socio-cultural, child, and economic variables are becoming more common. Buysse, Bailey, Smith and Simeonsson (1994) investigated early childhood placement as a function of child characteristics. For children with serious emotional disturbance (SED), a number of studies have examined the impact of child, teacher, and program characteristics, producing mixed results (e.g., Martin, Lloyd, Kaufman & Coyne, 1995).

Placement rates across the fifty states and the District of Columbia also show considerable variation.

Unfortunately, most studies have relied on local or regional samples, and have not included economic and demographic variables. The substantial amount of information collected annually regarding children with disabilities by the U.S. Office of Special Education Programs and the data amassed regularly by the National Center for Education Statistics about educational, economic, and social indicators for all of the nation's school districts are relatively untapped resources.

Existing work has suggested the importance of systematic investigations of national placement rates for children with disabilities and emphasized the importance of the role of demographics, school or program characteristics, economics and other educational variables. Ethnicity and educational revenues have been identified as significant predictors of states' rates of placement in regular classes, separate classes and separate facilities for students with SED (Coutinho & Oswald, 1996).

Purpose of the Analyses

The purpose of this Project ALIGN study was to explore state by state variation in placement rates for students with disabilities and to investigate the contribution of economic, socio-demographic, and educational factors on these rates. Descriptive profiles of state and national trends are presented first to provide a picture of the placement rates for all children with disabilities, and for those with specific learning disabilities (SLD), SED, and mental retardation (MR) separately. Subsequent analyses produced predictive models of the relationships between placement rates and a number of economic, educational, and demographic variables.

Descriptive Findings

Our analysis of placement rates drew from data submitted to the US Department of Education by the states for school year 1992-93. The federal definitions of the educational placement settings used in the analyses are presented in Table 1. The following were used for the present analyses: regular class, resource room, separate class, and separate facility (a variable representing the total number of students served in the federally defined categories of separate public and private day facilities, residential, and homebound/hospital arrangements).

For each state, we calculated the proportion of the resident population that was served in each of the four placement settings. This

Table 1
Definitions of Educational Environments

- *Regular class* includes students who receive the majority of their education program in a regular classroom and receive special education and related services outside the regular classroom for less than 21 percent of the school day. It includes children placed in a regular class and receiving special education within the regular class, as well as children placed in a regular class and receiving special education outside the regular class.
- *Resource room* includes students who receive special education and related services outside the regular classroom for at least 21 percent but no more than 60 percent of the school day. This may include students placed in resource rooms with part-time instruction in a regular class.
- *Separate class* includes students who receive special education and related services outside the regular classroom for more than 60 percent of the school day. Students may be placed in self-contained special classrooms with part-time instruction in regular classes or placed in self-contained classes full-time on a regular school campus.
- *Separate school* includes students who receive special education and related services in separate day schools for students with disabilities for more than 50 percent of the school day.
- *Residential facility* includes students who receive education in a public or private residential facility, at public expense, for more than 50 percent of the school day.
- *Homebound/hospital environment* includes students placed in and receiving special education in hospital or homebound programs.

Source: U.S. Department of Education, 1994.

formula for calculating placement rates differs from the usual method, i.e., calculating what percent of *identified* students are served in each setting. The rationale for the resident population formula is that it removes the effect of varying identification rates across states. For example, if two states each serve 30 percent of their identified students in regular class settings, but State A identifies 7 percent of the resident population for special education services and State B identifies 11 percent of the resident population, the placement rates cannot be compared with integrity. An accurate description of the placement rates used for the analyses below is "the percent of the resident population that is identified as a special education student with X disability and is served in Y setting."

Because of the formula used for the calculation of placement rates, states' placement figures and relative ranking in the analyses presented below differ from those published elsewhere (e.g., U.S. Department of Education, 1995). We believe, however, that the present method provides an improved means of characterizing national placement patterns and of comparing states' placement practices.

Population density appears to play an important role in states' use of separate schools for students with disability, appearing in all four of the models.

Comparison of national placement rates for all disabilities with rates for individual disabilities reveals some striking differences (see Figure 1). The placement data for all students with disabilities shows an orderly progression from the most students served in the least restrictive setting (Regular Class) to the least students served in the most restrictive settings (Separate Facilities). However, when the disability categories are examined separately, one can see that a plurality of the students with LD are served in Resource Room settings while a plurality of the students with SED and MR are served in Separate Classes. Further, although the total number of students with SED is smaller than the total number with LD or with MR, the SED disability category has more students in Separate Facility settings.

Placement rates across the fifty states and the District of Columbia also show considerable variation. For example, the percent of the resident population that is identified as students with SLD and is placed in regular class settings ranges from 1.8 percent (Georgia) to 5.8 percent (Massachusetts). (See Figure 2) Conversely, The percent of the resident population that is identified as students with SLD and is placed in separate facility settings (see Figure 3) ranges from .001 percent (Georgia) to .38 percent (District of Columbia). Figure 3 also illustrates that the distribution is markedly skewed with a large majority of states having fewer than .05 percent of their resident population

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identified as SLD and placed in separate facilities.

Predicting Placement Rates

The descriptive findings cited above make it clear that placement rates for students with disabilities show considerable variation across states. In an effort to understand the meaning of that variation, we created a set of predictive models that examined the relationship between placement variables and other educationally relevant characteristics of states.

A set of educational, economic, and demographic predictors were extracted from the National Center for Educational Statistics electronic catalog (NCES, 1992). The catalog is a collection of tables summarizing information relevant to education. The selection of variables that were chosen for inclusion in the analyses was informed by previous related studies (Coutinho & Oswald, 1996; McLaughlin & Owings, 1992; Oswald & Coutinho, 1995, 1996).

Three types of variables were included in the models: education-related variables, demographic variables that characterized significant features of states and their populations, and economic variables that captured important aspects of states' fiscal circumstances. A detailed listing of the variables is found in Table 2.

Predictive models were constructed using a stepwise linear regression procedure that tests which of the predictors contribute significantly to a model designed to explain the variation in the response variables. Inclusion in the final model means that the predictor contributes significant unique variance to the model.

The placement models examined the relationship of predictors to students' rate of placement in regular classes and in separate facilities.

Table 2
Variables included in prediction models

- *Placement rate* - the number of students identified as eligible for special education (with a particular disability) who are served in a given setting, divided by the state's resident population, ages 6-21 years.
- *4th grade reading proficiency* - State average for 4th grade NAEP reading proficiency scores
- *8th grade math proficiency* - State average for 8th grade NAEP math proficiency scores
- *Student-teacher ratio* - Ratio of students to teachers for state as a whole
- *Average teacher salary* - Mean of states' teachers' salaries
- *Percent (of school staff) that are aides* - Number of aides divided by total number of instructional and noninstructional staff
- *Chapter 1 funding* - Total amount of Chapter 1 program funding divided by school enrollment
- *Per pupil revenue* - Total amount of states' education revenue divided by school enrollment
- *Current expenditure per pupil* - States' current education expenditures divided by school enrollment
- *Percent revenue from local sources* - Percent of states' educational revenue that comes from local sources
- *Percent revenue from state sources* - Percent of states' educational revenue that comes from state sources
- *Percent revenue from federal sources* - Percent of states' educational revenue that comes from federal sources
- *Elem/Sec Ed. expenditures per capita* - Expenditures on elementary and secondary education divided by population
- *Educational expenditures per capita* - Expenditures on all education divided by population
- *Educational Expenditures as % of GSP* - Expenditures on all education divided by the Gross State Product
- *Human Services expenditures per capita* - Expenditures on all human services programs divided by population
- *Gross State Product per capita* - Gross State Product divided by population
- *Median household income (1990)* - Median income for all households in state
- *Percent of households earning < $25,000/yr* - Percent of households that report earning less than $25,000 per year
- *Per capita income* - Total personal income divided by population
- *Population density* - Number of persons per square mile
- *Community adult dropout rate* - States' dropout rate for adults
- *Percent white* - Percent of the population that is identified as White
- *Percent of households below poverty level (1992)* - Percent of households that report income below the poverty level
- *Community adult % unemployment* - Percent of adults that are classified unemployed

As seen in Table 3, achievement variables emerged as predictors for all disabilities combined. States with higher fourth and eighth grade achievement scores tend to place more special education students in regular classes and the model accounts for nearly one half of the variation across states.

The picture varies substantially, however, across disabilities. The model predicting placement of students with SLD in regular classes is not statistically significant, accounting for only 7 percent of the variation. The model for students with SED is somewhat stronger; "percent revenue from federal sources" accounts for about one third of the variation. A selection of largely demographic variables accounts for nearly two-thirds of the variation for students with MR. Predictive models for placement in separate facilities are strikingly robust (see Table 4), accounting for two thirds of the variation in the placement of students with all disabilities combined, and an even higher proportion when disability categories are examined separately. Population density appears to play an important role in states' use of separate facilities for students with disabilities, appearing in all four of the models. In each case, states with relatively higher population density tend to have more special education students in special schools.

The findings are troublesome, because they provide evidence that non-child-specific factors influence variations in placement rates in both the most inclusive and the most segregated settings.

In many respects these findings are both remarkable and distressing. The predictive value of economic and demographic variables suggests the influence of many factors on placement decisions. The influence of population density across the disability conditions reinforces the belief that services in rural districts, for any number of reasons, are provided in more integrated settings. The positive contribution of income and economic predictors in the prediction of separate facility placements is difficult to interpret. Should monies be re-directed to support more placements in inclusive settings, or conversely, does the relationship suggest continued support for the continuum of placement settings? This study cannot answer the questions because the data do not indicate the appropriateness of the services received in regular classes or in separate facilities.

An alternative explanation is that a full continuum of options is not always available (Martin, Lloyd, Kaufman, & Coyne, 1995), but when resources are available to support of the full continuum, more children are served in more restrictive placements. Although difficult to interpret, the findings are troublesome, because they provide evidence that non-child-specific factors influence variations in placement rates in both the most inclusive and the most segregated settings. Additional research is needed to detect and understand the influence of these variables at the district and individual child level.

Table 3
Predicting States Placement of Special Education Students in Regular Classes in 92-93

Disability Condition	Predictors Entering Stepwise Model	Bivariate Correlation	Model R^2
All	4th grade reading proficiency 8th grade reading proficiency	.45 .20	.48
LD	Per pupil revenue	.27	.07
SED	% Revenue from federal sources	-.52	.35
MR	Community adult dropout rate Percent white Percent (of school staff) that are aides Elem/Sec Ed. Expenditures per capita Median household income (1990)	.60 .14 -.20 -.50 -.51	.62

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Table 4
Predicting States Placement of Special Education Students in Separate Facilities in 92-93

Disability Condition	Predictors Entering Stepwise Model	Bivariate Correlation	Model R^2
All	Population density	.64	.66
	Per capita income	.61	
	Human Services Expenditures per capita	.26	
	Current expenditure per pupil	.62	
LD	Population density	.84	.86
	Current expenditure per pupil	.62	
	Human Services Expenditures per capita	.42	
	Gross State Product per capita	.82	
	Average teacher salary	.36	
	Percent white	-.47	
SED	Per capita income	.76	.78
	Median household income (1990)	.51	
	% Revenue from local sources	.57	
	Population density	.61	
	Gross State Product per capita	.64	
MR	Population density	.74	.63
	Percent (of school staff) that are aides	-.44	
	Chapter 1 funding	.60	

Table 5
State Characteristics

Feature	State 1	State 2	State 3
Population Density	Low	Middle	Middle
Location	West	Mid-Atlantic	Midwest
Percent White - School Population	93	68	76
Number of School Districts	114	133	140
Percent of Adults Who Dropped Out	20	30	33

Progress in Implementing the LRE Mandate: Three States' Experiences

To build on our understanding of factors influencing placement rates, three states were interviewed whose rate of placement in regular class settings was relatively higher than other states and was increasing over a recent five year period. The states were selected on the basis of the percentage of students ages 3-21 served in regular class settings in the most recent five year period for which data was available (School years 1988-89 through 1992-1993). Table 5 summarizes demographic characteristics of the three states.

Special Education Directors and others were asked to describe criteria for reporting placement settings, including changes in recent years, and state initiatives or traditions that are believed to have influenced increasing rates of placement in integrated settings.

With respect to reporting criteria, all three states require LEAs to report on at least as many

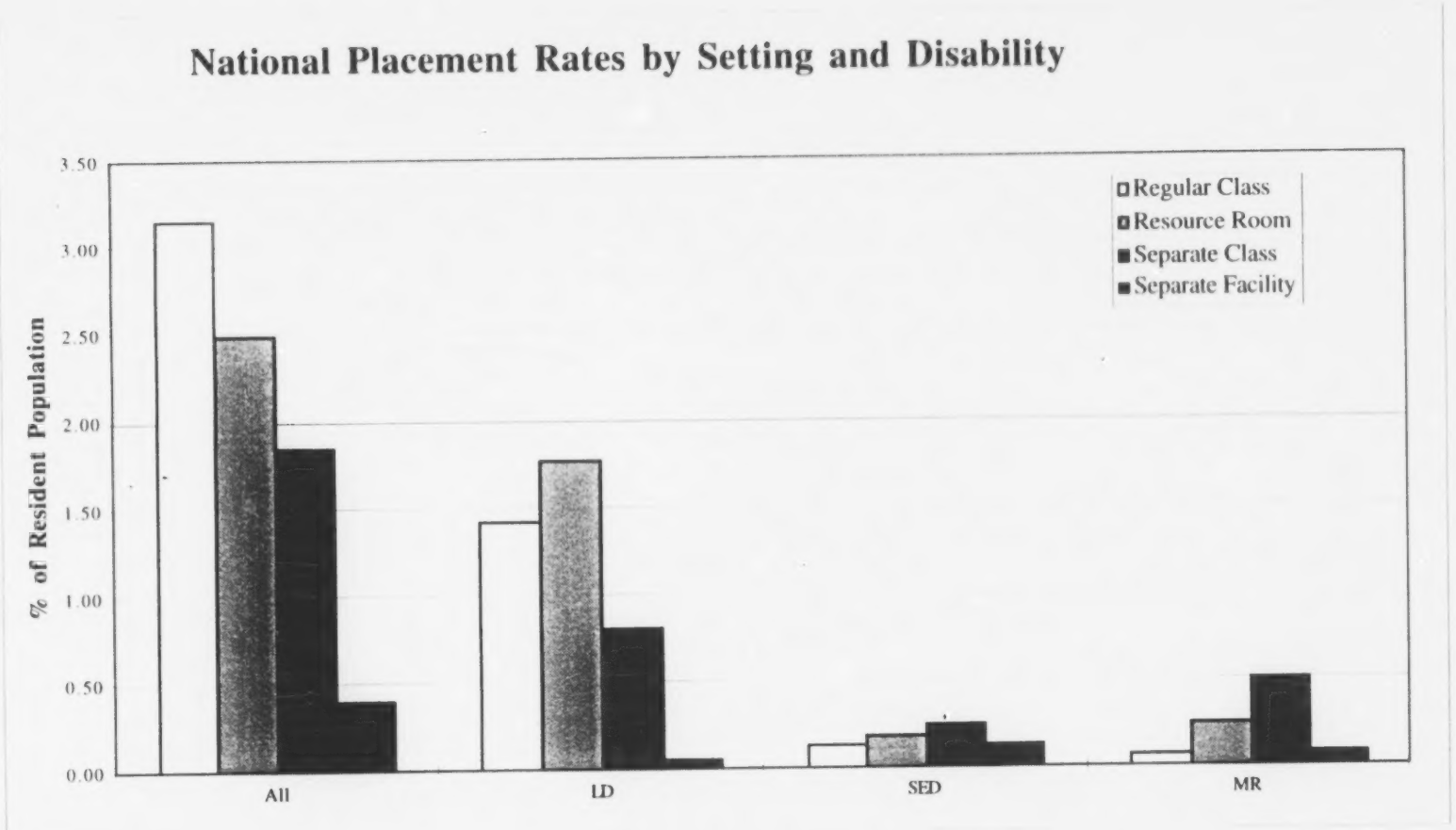

Figure 1
National Placement Rates

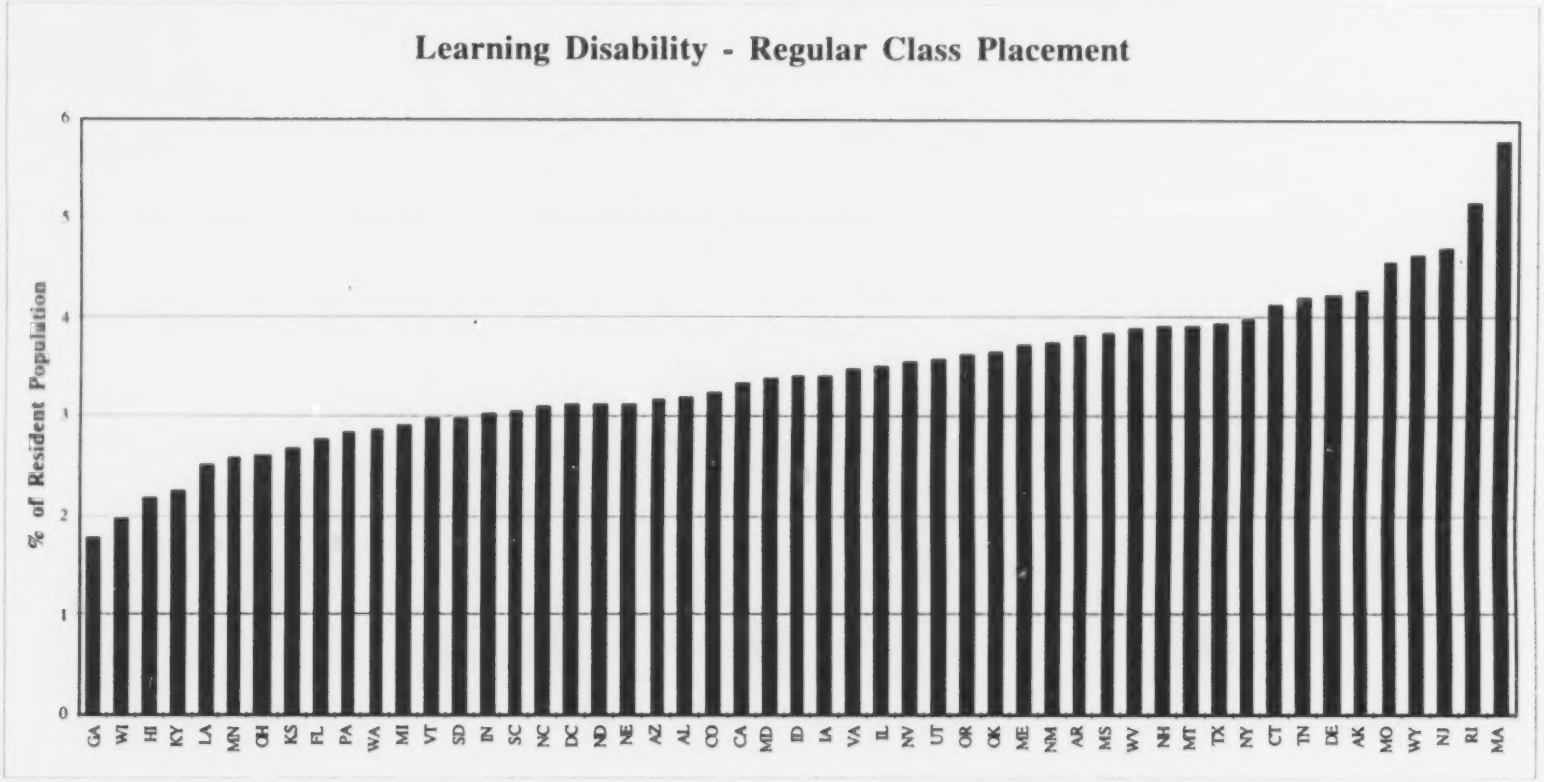
Learning Disability - Regular Class Placement
% of Resident Population
0
1
2
3
4
5
6
GA WI HI KY LA MN OH KS FL PA WA MI VT SD IN SC NC DC ND NE AZ AL CO CA MD ID IA VA IL NV UT OR OK ME NM AR MS WV NH MT TX NY CT TN DE AK MO WY NJ RI MA

Figure 2
Regular Class Placement Rates for Students with Learning Disabilities

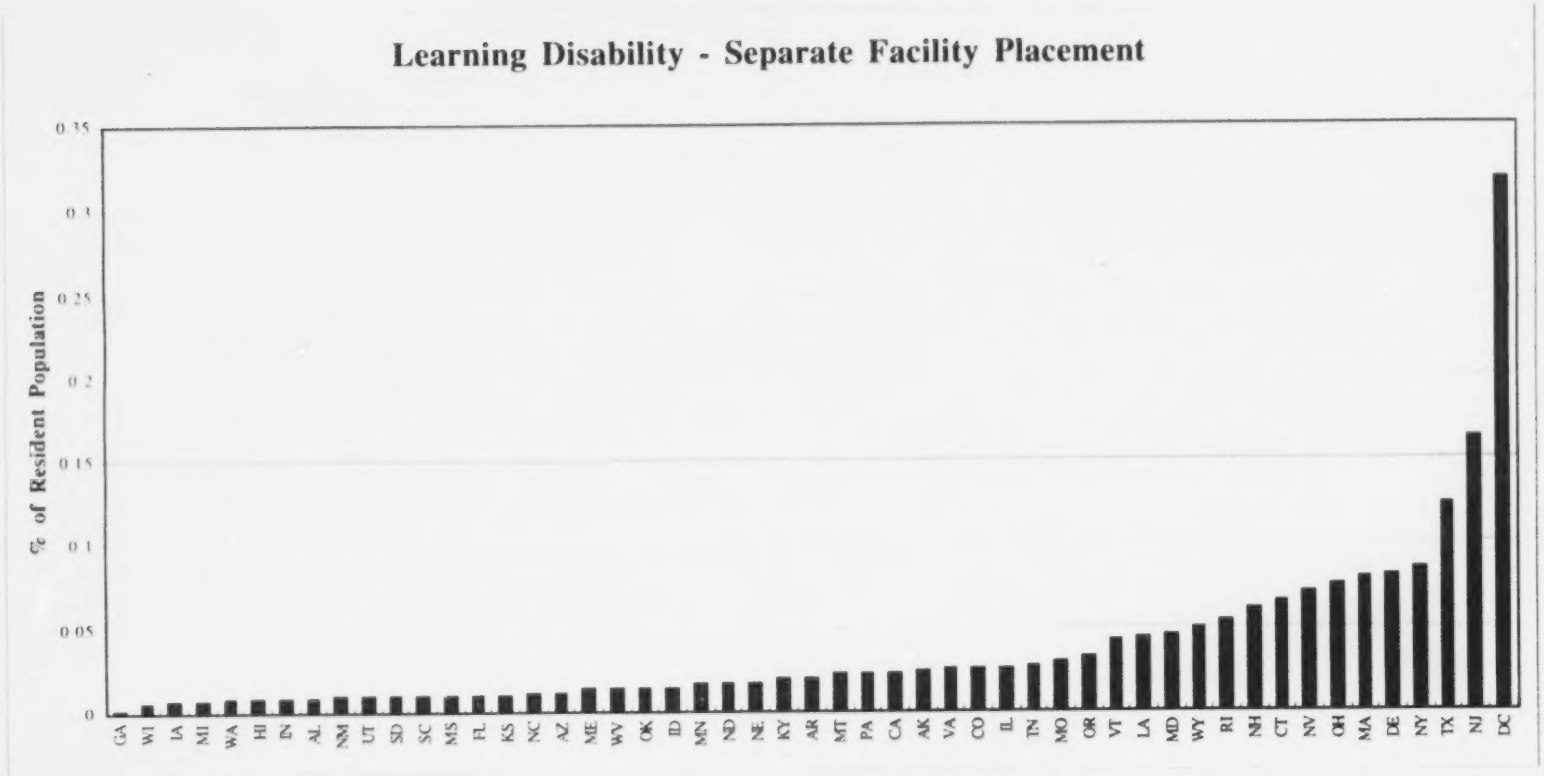
Learning Disability - Separate Facility Placement
% of Resident Population
0.35
0.3
0.25
0.2
0.15
0.1
0.05
0
GA WI LA MI WA HI IN AL NM UT SD SC MS FL KS NC AZ ME WV OK ID MN ND NE KY AR MT PA CA AK VA CO IL TN MO OR VT LA MD WY RI NH CT NV OH MA DE NY TX NJ DC

Figure 3
Separate Facility Placement Rates for Students with Learning Disabilities

environments as the U.S. Office of Special Education Programs requires. Two of the three required additional specificity, e.g., up to 10 options or the actual number of minutes per day by setting. All three states had worked out acceptable policies to permit students with disabilities who are served full-time in special education to be reported as disabled. Reporting, for example, included designation of consultative assistance. None of the three states had changed their definition of educational environments in the last several years.

All states reported that state initiatives have been implemented to sustain progress in increasing placements rates in integrated settings. Common across all of these initiatives were the emphases on responsiveness to *local conditions*, ongoing professional development, and sustained state leadership.

In one state, local capacity was built through a two year effort in which a group of collaborative teams were trained, followed by training to subsequent groups and extensive sharing and statewide dissemination of best practices. Systematic, regional technical assistance provided through institutions of higher education and other agencies, was a second initiative in which individualized assistance was provided to local districts. A separate project, federally funded and supplemented with local matching funds, provided assistance with curricular adaptations and team capacity at the local level. In sum, Part B set aside and other funds (federal, state, and local) were being used to support ongoing changes responsive to local conditions.

In another state, leadership and support was created and sustained through development of an inclusion position statement. The position statement was the culmination of work by a broadly constituted collaborative team. A second mechanism was special study institutes formed to provide "best practice" training of teams at the local level who, in turn, trained other teams. An independent facilitator, supported by the state, but based in a local district, also worked with local districts individually to problem solve regarding local obstacles and issues.

Common across all of these initiatives were the emphases on responsiveness to local conditions, ongoing professional development, and sustained state leadership.

The third state provided support for a state-department position dedicated to assisting local districts implement more successful inclusive practices. This assistance was complemented by state sponsored workshops over a several year period. Also, a local educational agency served as a model program, acting as a host site and consultant for visits by other districts to learn first hand what works. Finally, the state authorized waivers for some districts to support services delivered appropriately by instructional aides.

When asked about linkages with other educational reforms or traditions, one state reported tremendous success building on already-existing site-based prereferral teams and assisting with inclusive programming for students with attention deficit disorders.

States were also asked to look ahead and indicate if any new initiatives were needed or planned. One state was in the process of developing a statewide stakeholder group on LRE--not inclusion. A second state was to begin complementing professional development with individualized monitoring and assistance to local districts whose placement rates indicated that disproportionately more students were served in segregated settings than in other districts. In a third state, proposals were being studied to change the current funding formula for support of special education services to be placement neutral, i.e., to offer no incentive or disincentive for serving students in a particular environment (e.g., a separate class).

Conclusions

The purpose of this study was to provide a broader context within which to investigate the issue of where special education services are to be provided. The consideration of economic, demographic, policy, and program variables to the study of these issues introduces more complexity but also offers the possibility of a more comprehensive understanding.

The findings suggest a need to *incorporate systems approaches to special education issues*. A wealth of special education research is now available that examines student, teacher, and curriculum variables within well-designed studies of learning and behavior. Many recent studies, however, have included a broadening array of inputs and outputs when investigating issues related to the placement of students with disabilities (Buysse et al., 1994; Fuchs et al, 1996; Hasazi et al., 1994; Janney, Snell, Beers, & Raynes, 1995; Martin et al., 1995; Rock, Rosenberg, & Carran, 1995). These reports, and the present study, indicate that economic, educational program, teacher, and demographic inputs, in addition to specific child

characteristics (e.g., behavior, vocational skills, and achievement), function in a complex manner to influence where students with disabilities are served.

Results of this study support disability specific investigations and development of recommendations responsive to conditions and opportunities at the local district level, potentially through applications of full-service school models. "At a gross level of abstraction, we all agree that every child deserves a free appropriate, public education. The pinch comes in allotment of scarce resources . . . Who is to get how much?" (Morse, 1994, p. 536). With adequate understanding, schools can align commitment with resources in an equitable fashion that ensures that each child with a disability is educated in the least restrictive, appropriate environment.

Results of this study support disability specific, system-level investigations, and development of recommendations responsive to conditions and opportunities at the local district level.

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Project ALIGN:
"Supporting Data Based Decision Making To Align the Intent and Implementation of IDEA With the Goals of National Education Reform"

For more information about this *Issue Brief* or other **Project ALIGN** products, please contact:

Donald Oswald, Ph.D.
Commonwealth Institute for Child and Family Studies, Medical College of Virginia, P.O. Box 980489, Richmond Virginia 23298
Or
Martha Coutinho, Ph.D.
East Tennessee State University, HDAL, P.O. Box 70548, Johnson City, Tennessee 37614.

***Issue Brief* Newsletter Editor:**
Melissa Mitchell, East Tennessee State University

Leaving School

A Project ALIGN *Issue Brief* March, 1997

Implementing Transition Planning: What Data and State Experiences Can Tell Policy Makers and Educators

Has implementation of the transition planning mandate been associated with any improvement in dropout rates for youth with disabilities?

Implementing the Transition Planning Mandate

In recent years, educators have focused upon systematic planning that will prepare youth with disabilities to assume successful, productive, and satisfying adult lives. A wealth of information now exists that suggests that:

> students with special needs require self-advocacy training, intensive employability skills training, systematic referral to adult agencies, family involvement, and immediate and on-going job support in order to obtain and maintain employment over time (Patton, 1996; 369).

In 1990, The Individuals with Disabilities Education Act(P.L. 101-476 ; IDEA) mandated the provision of systematic *transition planning* to begin for each student with disabilities *no later than age sixteen*. Transition services are defined as:

> a coordinated set of activities for a student, designed within an outcome-oriented process, which promotes movement from school to post-school activities, including post-secondary education, vocational training, integrated employment (including supported employment), continuing and adult education, adult services, independent living, or community (34 CFR 300.18).

Although individualized transition planning must occur by the time the student reaches the age of sixteen, IDEA provided that planning may begin earlier, at age fourteen, when appropriate. Some of the proposals forwarded during the current process of reauthorization of IDEA have recommended transition planning begin at age fourteen rather than sixteen.

IDEA mandated systematic transition planning to begin for each student with disabilities *no later than age sixteen.*

Adolescence is a period of tremendous transition. Societal expectations and demands increase significantly as youth prepare for and assume adult life roles. School completion represents a critical outcome indicator of public education, and approximately 74% of all youth complete high school (National Center for Educational Statistics, 1993). For youth with disabilities the demands of adolescence are especially challenging. Only slightly more than half (57%) of students with disabilities graduate and school completion rates for students with particular disabilities are especially low. For example, school completion rates for student with emotional/behavioral disabilities were 35% for the 1991-92 school year (U.S. Department of Education, 1994). Youth with disabilities are unemployed at a higher rate than their nondisabled peers, they tend to drop out of school before graduation, they are involved with the criminal system to a higher degree, and they tend to be living in a dependent situation for a longer period of time (Patton, 1996).

Completing school, however, is not enough to assure a successful outcome for youth with disabilities. A growing body of research indicates relatively poor attainments with respect to employment, assimilation

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into the community, and living arrangements (Halpern, 1995; Wehman, 1990). According to the National Longitudinal Transition Study, approximately 58% of youth with disabilities were competitively employed 3 to 5 years after leaving school, which compares to 69% achieved by the general population. The median hourly wage obtained for youth with disabilities, in general, was $5.72, which corresponds to an annual salary of less than $12,000 per year (Wagner, D'Amico, Marder, Newman, & Blackorby, 1992).

The mandate to provide comprehensive transition planning and services to all youth with disabilities was intended to support school completion and better outcomes. Early experiences, however, have shown that the transition process is very complex and that successful implementation is a challenge (Furney, Hasazi & DeStefano, 1997). At the local level, students, teachers, and parents are often confused or uncertain about options and resources (Szymanski, 1994). At the policy level, many believe implementation of the transition mandate will require major, long term changes and increases in school, community and adult agency capacity (DeStefano & Wermuth, 1992; Furney et al., 1997).

The purpose of this Project ALIGN *Issue Brief* is to examine two questions regarding states' experiences and data regarding implementation of the transition planning mandate:

1. Has implementation of the transition planning mandate been associated with any improvement in dropout rates for youth with disabilities?

2. Is there support for a change in the transition planning mandate from age sixteen to age fourteen?

Examining State Dropout Data

To provide policy makers and educators with information about the value of transition services and about when such services should begin, analyses of data for the nation's youth with disabilities and interviews with three states were conducted. Transition-related data for these analyses were drawn from the U.S. Department of Education's Annual Reports to Congress, 1988 through 1996. From each Annual Report we extracted the number of special education students (age 16 to 21) that dropped out, the number of special education students (age 14 or 15) that dropped out, and the estimated number of children in the resident population. For each year, a national dropout rate was calculated for each of the age groups according to the following formula:

$$\frac{\text{Number of Sp.Ed. students who dropped out}}{\text{Number of children in resident population}} \times 100 = \text{Dropout rate as a \% of Resident Population}$$

In this way, the dropout rate is adjusted for changing population figures and can be compared across years with integrity. Dropout data for fourteen and fifteen years olds was not collected in 1985-86 or 1986-87, so only seven years of data are included for this age group.

For most of the time period under consideration, the dropout numbers represented "an estimate of those who were actually known to have dropped out and [did] not include youth who simply stopped coming to school or whose status was unknown." (US Dept. of Education, 1988; p. 46) In the 1992-93 school year, OSEP allowed states to choose between the existing format for reporting on how special education students exited the system and a revised format. The revised format included several new categories ("returned to regular education," "died," and "moved") and a new definition of "dropped out." In the new system, "dropped out" is defined as "the total who were enrolled at some point in the reporting year, were not enrolled at the end of the reporting year, and did not exit through any of the other bases described. This category includes dropouts, runaways, GED recipients, expulsions, status unknown, and other exiters." (US Dept. of Education, 1995; p. A-157) Approximately one-half of the states continued to use the old format for 1992-93 and one-half moved to the new format. Because of the new definition, dropout rates prior to 1992-93 are not comparable to rates after 1992-93. Further, for the year 1992-93, *two* national dropout rates are reported, an "old format" rate and a "new format" rate, each based on approximately one half of the states.

Figure 1 presents the data on the national dropout rates for 16 to 21 year old students from school year 1985-86 to school year 1993-94. Using the old definition of

"dropout," dropout rates showed a general increasing trend from 85-86 through 89-90. Dropouts declined nationally in 90-91, the year the mandate to provide transition services was passed, and remained low for the next two years. In 92-93, the half of the states that used the new definition showed a substantial increase in rate, probably due at least in part to the fact that the new definition is broader. The 93-94 rate, including all 50 states and DC, was slightly higher but without additional years' data it is impossible to determine whether this represents an adjustment based on including all of the states for the first time, the beginning of another increasing trend, or simply the normal fluctuation of a stable rate.

Dropouts declined nationally in 90-91, the year the mandate to provide transition services was passed, and remained low for the next two years.

Figure 1
National Dropout Rate: Youth with Disabilities Ages 16-21

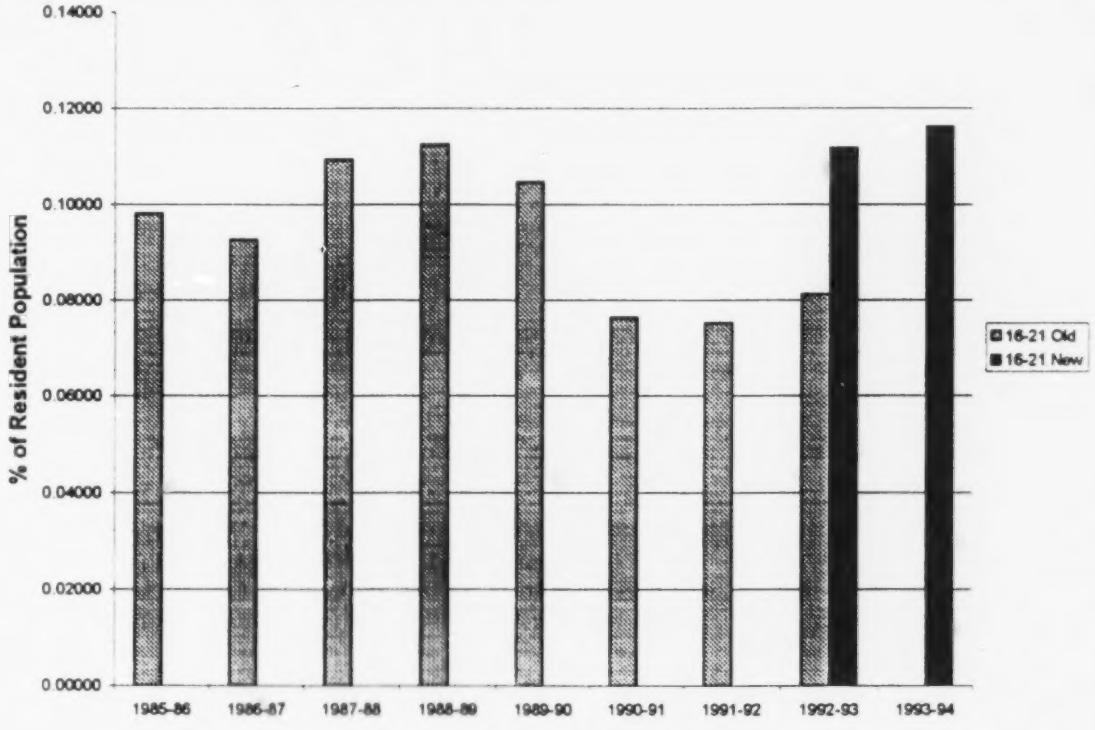

Figure 2 presents national data for 14-16 year old dropouts. The figure begins with school year 1987-88 because data on 14-16 year old dropouts was not collected in earlier years. The rate of dropouts in the 14-16 year range showed an increasing trend throughout the years of the old definition. When the definition was changed, the states using the new definition showed a slightly higher rate; however, when all 50 states and DC began using the new definition in 93-94, the rated dropped off somewhat. Once again, without additional data points, it is impossible to determine whether this represents the beginning of a decreasing trend, or is related to the fact that all fifty states are included for the first time.

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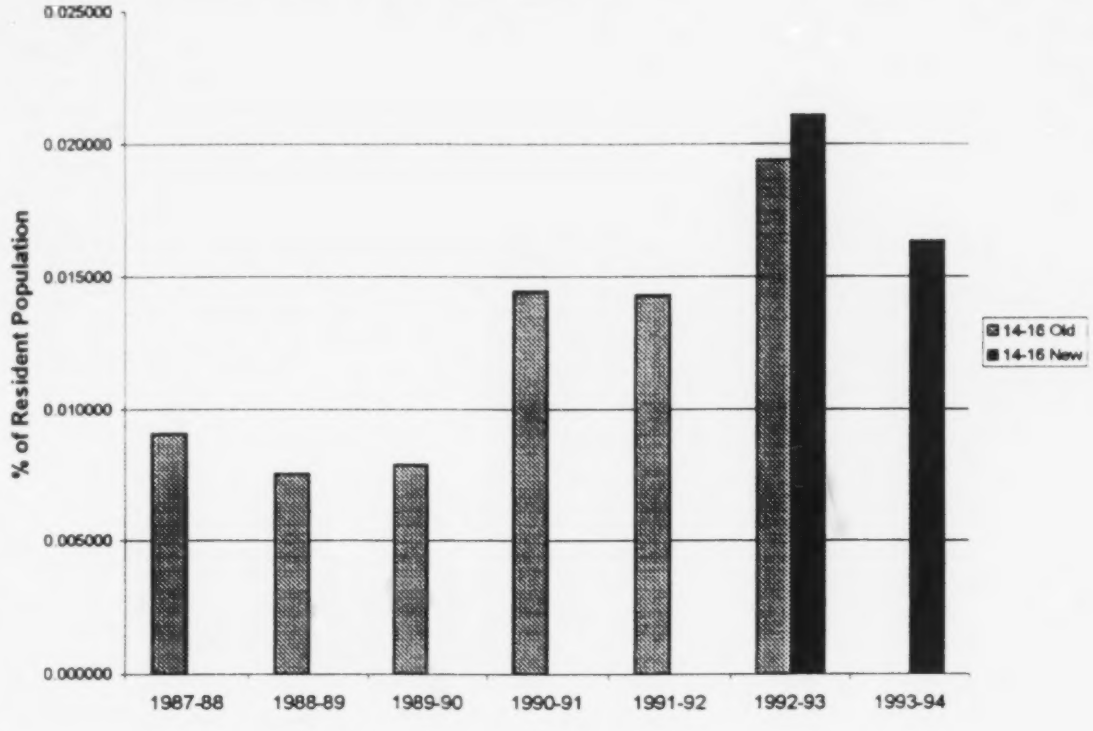
Figure 2
National Dropout Rate: Youth with Disabilities Ages 14-16



Transition Experiences of Three States

In addition to the above analyses, in order to provide a more complete picture of state experiences with implementation of the transition services mandate, interviews were conducted with states who have been relatively more successful in achieving a higher school completion rate for youth with disabilities. Three states were selected for interviews on the basis of the most recent four year period for which data were available (school years 1989-90 through 1992-93). States chosen were those that demonstrated relatively high and stable percentages of students with disabilities who exited by means of a diploma or certificate. Table 1 summarizes background characteristics of the three states.

State-level special education personnel were interviewed in each state regarding their experience with transition planning and initiatives related to increasing the graduation rate of youth with disabilities. Each interview addressed how the state currently implements transition planning and whether these services should begin at age fourteen. Findings related to initiatives to increase the graduation rate are reported in a separate Project ALIGN *Issue Brief*, "Understanding and Increasing the Graduation Rate of Youth with Disabilities." With respect to implementation of transition planning and services, state

The rate of dropouts in the 14-16 year range showed an increasing trend throughout the years of the old definition.

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Table 1
State Characteristics

Feature	State 1	State 2	State 3
Population Density	Middle	Middle	Low
Location	Mid-Atlantic	North-East	West
Percent White Resident Population	Middle	High	High
Number of School Districts	141	283	40
Percent of Adults Who Dropped Out	24.9%	21.2%	14.9%

Data Sources: NCES Common Core of Data, 1992.

experiences and approaches varied in many respects, but several common themes emerged:

1. State regulations are consistent with federal requirements regarding provision of transition planning and services
2. Each state was a recipient of a statewide transition systems change grant--supported by the U.S. Office of Special Education Programs
3. Planning must begin by age sixteen, although planning is encouraged at grade nine or age fourteen for many students in two states. In the third state, transition planning begins at age fourteen for approximately one-fifth of all youth with disabilities.
4. Two states support age fourteen as the best time to begin transition planning. The third state finds the current system to be working well, i.e., keep the mandate at age sixteen with flexibility to begin at fourteen if needed.
5. Two states rely on a "transition coordinator" role to help fulfill the transition planning requirements.
6. Specialized training and assistance has been provided to support successful implementation of the mandate. These are supported by federal and state monies, are sometimes linked with other state agencies (e.g., Vocational Rehabilitation) and state initiatives (e.g., activities under the School to Work Opportunities Act), and are designed to improve capacity and support long term change.
7. All states reported implementation of transition services to be vital and effective in assisting youth with disabilities to complete school and obtain employment after leaving school. Other reported benefits included increased participation in postsecondary education opportunities and greater likelihood of receiving needed services from adult agencies.
8. States identified several additional issues yet to be addressed, including needs for:
   - Continued training and support through existing or other mechanisms.
   - Expanded capacity of adult service agencies to meet identified needs of young adults with disabilities.
   - Expanded collaboration among the many agencies and employers at the community and state level.
   - Better preparation of teachers to assume transition planning and service responsibilities.
   - Increased linkages with related state and national initiatives, e.g., the School to Work Opportunities Act

These findings are similar to those obtained in a recent policy study involving a two year in-depth study of three states identified as exemplary in their achievement related to designing and implementing transition policies and services (Furney, Hasazi & DeStefano (1997). These researchers reported that several themes characterized successful transition policies, practices, and services, including linking transition planning and services to other restructuring efforts, building capacity for long lasting change, and building

collaborative structures to promote systemic change.

Findings Support the Value of Transition Services Beginning at Age Fourteen

The federal mandate in 1990 to implement comprehensive transition planning and services is a far reaching and ambitious goal. The analysis of data on the dropout rate of youth with disabilities indicates that a change in the national dropout trend line for 16-21 year olds occurs at a point corresponding to the passage of the mandate in 1990; at that point, a previously increasing rate begins to decline. However, no corresponding decline is apparent for youth 14-15 years old; indeed, the dropout rate for these youth has continued to climb until the most recent year for which data are available. The apparent decline in this most recent year may be related to the changed definition and a clear trend under the new definition will not be available for several years.

The experiences of three states who have had relatively good school completion rates for youth with disabilities supports the belief that transition planning and services are a valuable component of the individualized program each child with a disability is to receive. However, state experiences also underscore the importance of strong leadership and continued support and assistance for developing capacity among all service providers and linking transition services to other restructuring and reform efforts.

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For more information about this *Issue Brief* or other Project ALIGN products, please contact:

Donald Oswald, Ph.D.
Commonwealth Institute for Child and Family Studies
Medical College of Virginia
P.O. Box 980489
Richmond, Virginia 23298
or
Martha Coutinho, Ph.D.
East Tennessee State University
HDAL, P.O. Box 70548
Johnson City, TN 37614

Issue Brief Editor:
Melissa Mitchell, East Tennessee State University.

State Special Education Funding Formulas

A Project ALIGN *Issue Brief* April 1997

Issues in Implementing Both FAPE and LRE

Interest and Controversy

Meeting the goals of the Individuals with Disabilities Education Act (P.L. 101-476; IDEA) relies on full implementation of the mandate to provide a free appropriate public education for ALL children with disabilities (FAPE) ***and*** the full implementation of the Least Restrictive Environment (LRE) requirement of IDEA. Twenty years of education practice and case law are testimony to the difficulty and importance of meeting both of these mandates successfully. Early efforts were often focused on FAPE; i.e., identifying and serving children with disabilities who were previously unserved. In recent years, educators have increased efforts to provide services to more children within integrated environments.

Fiscal support for special education provides the basis for implementation of the law and can, explicitly or implicitly, influence the extent to which both the FAPE and LRE mandates are fully implemented. Among other factors, the shortfall between promised and actual federal financial support, the relative state and local share of special education expenditures, and the particular funding formula used by a state to support special education may function as fiscal incentives or disincentives to full identification and provision of services within least restrictive environments.

Currently, many states provide more money for students that are served in more restrictive placements, such as separate, private schools for students with disabilities.

Recently, attention has been given to whether funding formulas should or do influence placement decisions, and whether or not a formula should be "placement-neutral," or an incentive to serve children with disabilities through inclusive arrangements. Placement-neutral funding is defined as the distribution of special education money to local school divisions entirely on the basis of school enrollment, school-age population, or the number of special education students identified in the district, without regard to the setting in which those students are served. Currently, many states provide more money for students that are served in more restrictive placements, such as separate, private schools for students with disabilities.

A recent proposal of the IDEA Working Group is to amend IDEA to mandate that states implement placement-neutral special education funding formulas.

At the time of this writing, a bi-partisan IDEA Working Group was developing proposals for use in the reauthorization of the IDEA. A recent proposal of the IDEA Working Group was to amend IDEA to mandate that states implement placement-neutral special education funding formulas. Federal law would dictate how states disburse both Federal and State money in special education within their state (IDEA Working Group; CEC, April 1997). Recent discussions of the merit of this proposal have examined the experiences of states which have a high percentage of children with disabilities served in regular classes. These discussions have highlighted both the promise and pitfalls of "placement neutral funding" (Special Education Report, March 5, 1997).

A recent interview with State Directors of Special Education in Special Education Finance Reform, indicated that many states are seeking formula changes to remove fiscal incentives favoring more restrictive placements (Parrish,

1995a). Many state directors reported that they are reconsidering 1) aid differentials related to placement that may have had a cost rationale but may now be problematic in creating a fiscal incentive for separate placements, and 2) the use of a separate funding mechanism for separate public and private special education schools, particularly private placements, or centralized public schools (e.g., a state school for individuals with a particular disability). Some states are concerned that separate funding streams supporting transportation are no longer available when children are re-integrated to support implementation of specially designed equipment or instructional needs in the inclusive environment. In recent years, at least five states have moved to implement census based-formulas, in which special education fiscal support is based on the school age resident population, rather than the actual count of children identified as disabled (Danielson, O'Reilly, and Parrish, in press).

Special and general educators, policymakers, and advocates are very divided about "what are" or "what should be" the relationships among funding formulas, the provision of services within least restrictive environments, and the provision of needed services to all students with disabilities. Some believe that funding formulas that provide more monies for placements in more segregated settings interfere with full implementation of the LRE mandate. Others contend that funding formulas that are placement neutral threaten the FAPE mandate; i.e., they are a disincentive to the identification of all children who have a disability or discourage provision of all of the services or supports needed by an individual child.

Special and general educators, policymakers, and advocates are very divided about "what is" or "what should be" the relationships among funding formulas, the provision of services within least restrictive environments, and the provision of needed services to all students with disabilities.

Some believe a funding formula that encourages placement in general education settings is inconsistent with that provision of the LRE mandate requiring a full continuum of placement settings. Others believe full implementation of IDEA is premised on the principle that funding should never influence identification, service, or placement decisions, and that full implementation of IDEA depends on continuing professional development and monitoring strategies, and reforms in education policy and finance.

Many have argued that insufficient information exists to support the contention that changing funding formulas will affect decisions regarding where special education services are to be delivered. Would monies saved from placements in private, segregated settings be used to provide services or reduce staff/student ratios within inclusive arrangements? Would a formula unrelated to settings make it easier to "count" and receive financial support for children with disabilities served full-time in regular classes? Will funding formulas based on student enrollment support availability of a full continuum of settings? Many such questions about the impact of "placement neutral" funding formulas remain unanswered.

Funding Formulas and Restrictive Placements

O'Reilly (1995) investigated relationships between state funding formulas and rates of placement in ***separate classes***, schools and residential facilities. In addition to analyses of state reported placement data and state funding formulas, interviews were conducted with 10 states, seven of whom were high users and three low users of separate placements. O'Reilly found no uniform support for the assertion that special education finance formulas that fund school districts on the basis of where students receive services encourage the placement of students into high reimbursement options. In fact, the formulas used in most of the low use states are based on a percentage reimbursement formula, a type of formula that is generally considered placement neutral, that is, the proportion of funds received from the state is the same no matter where a student receives services, and regardless of the cost of those services. Thus, while low use states tend to use a funding formula that can be placement neutral, there is no common pattern among high use states and thus no suggestion that

O'Reilly found no uniform support for the assertion that special education finance formulas that fund school districts on the basis of where students receive services encourage the placement of students into high reimbursement options.

the type of funding formula alone is sufficient to encourage placement in more restrictive settings (O'Reilly, 1995).

O'Reilly did, however, find a distinct regional pattern in the use of various special education funding models, and geographic trends were observed in the use of separate placements. North Central and northwestern states were the lowest users of separate placements, whereas central farming states more often placed students in separate placements, and the mid-Atlantic states were among the highest users of separate placements. Northwest, north central and central plains states were the lowest users of separate public day schools and separate classes.

O'Reilly observed that the density of population in a state was associated with high use of separate placements, and high use of one type of separate placement is associated with high use of other types of separate placements. Interviews with state special education administrators confirmed that in states making little use of separate placements, "rurality" was a factor--it was often impractical or inefficient to create separate classes or schools for students with disabilities.

> ***. . .density of population is associated with high use of separate placements, and high use of one type of separate placement is associated with high use of other types of separate placements.***

O'Reilly and colleagues at the Center for Special Education Finance concluded many factors influence implementation of the LRE mandate, not funding formula alone. Among other factors they cited were: general education funding mechanisms, the relative state and local share of special education costs, and other state initiatives related to particular placements. They concluded:

> Funding systems that are relics of an earlier era, when underidentifcation was a major concern, and when segregated placements for students with disabilities often went unquestioned, need to be redesigned to reflect current program and policy goals. Funding formulas can be modified or designed to increase the flexibility needed by districts to serve students in the most appropriate settings and to remove fiscal disincentives to least restrictive placements (O'Reilly, 1995, p.22).

Purpose of this Issue Brief

A recent charge to the Congressional IDEA Working Group was to propose only those changes to IDEA that could be supported by validating research and practice information. Similarly, the IDEA Working Group has stated its intent to distinguish between problems of implementation and problems with the law, and to respond accordingly. To support more informed decision making, this *Issue Brief* looks at information *related* to relationships between state special education funding formulas and the placements in which children with disabilities are served, including:

- o State by state variation in rates of placement in regular classes
- o States grouped by special education funding formulas and ranked by percentage served in regular classes
- o Relationships between state level regular class placement rates and population density
- o Experiences of three states regarding funding formulas and placements in integrated settings.

Investigating Regular Class Placement Rates

The federal description of special educational placement in the regular class setting is "students who receive the majority of their education program in a regular classroom and receive special education and related services outside the regular classroom for less than 21 percent of the school day. It includes children placed in a regular class and receiving special education within the regular class, as well as children placed in a regular class and receiving special education outside the regular class" (U.S. Department of Education, 1994).

Our analysis of placement rates drew from data submitted to the US Department of Education by the states for school year 1992-93. For each state, we calculated the portion of the resident, school-age population that were identified as students with disabilities and served in the regular class setting. This formula for calculating placement rates differs from the usual method, i.e., calculating what percent of *identified* students are served in a particular setting. The rationale for the resident population formula is that it removes the effect of varying identification rates across states. For example, if two states each serve 30 percent of their identified students in regular class settings, but State A identifies 7 percent of the resident population for special education services and State B identifies 11 percent of the resident population, the placement rates cannot be compared with integrity. An accurate description of the placement rates used for the analyses below is "the percent of the

Table 1
State Funding Formulas

Funding Formula	Definition
Pupil Weights	Two or more categories of student-based funding for special programs, expressed as a multiple of regular education aid
Resource-Based	Funding based on allocation of specific education resources (e.g., teachers or classroom units). Classroom units are derived from prescribed staff/student ratios by disabling condition or type of placement
Percent Reimbursement	Funding based on a percentage of allowable or actual expenditures
Flat Grant	A fixed funding amount per student or per unit

Source: Parrish, 1995

resident population that is identified as a special education student and is served in a given setting."

Because of the formula used for the calculation of placement rates, states' placement figures and relative ranking in the analyses presented below differ from those published elsewhere (e.g., U.S. Department of Education, 1995). We believe, however, that the present method provides an improved means of characterizing national placement patterns and of comparing states' placement practices. This approach to characterizing placement rates has been used by several other researchers recently (O'Reilly, 1995).

Utilizing data provided in Parrish's (1995b) brief, states were grouped by type of funding formula and basis of allocation. The four major funding formulas used by states are shown in Table 1. Each of these formula types can be subdivided, however, according to the basis of allocation (Parrish, 1995b), yielding twelve different formula/allocation combinations currently in use (see Table 2).

Funding Formulas and Regular Classes Placement Rates

Calculated in the manner described above, regular class placement rates vary considerably across states. The percent of the resident population that are identified as students with disabilities and are placed in regular class settings ranges from 4 percent (Arizona) to 6.7 percent (Massachusetts). As shown in Figure 1, Regular Class placement rates for most states fall between 2 percent and 5 percent.

For each funding formula group of states, the average regular class placement rate was then calculated. Table 2 presents a comparison of regular classroom placement rates by type of state special education funding formula. The differences among mean regular class placement rate values for states grouped according to funding formulas are not statistically significant, in part no doubt, due to the fact that the number of states in each group is quite small. Nonetheless, the groups do demonstrate substantial variation in regular class placement rate; the rate for "Flat / District Enrollment" states is more than twice that of "Resource-Based / Allowable Cost" states.

As Table 2 indicates, the overall difference in regular class placement rates between the highest and the lowest groups is 2.7%. A "flat" formula based on district enrollment was used in the four states with the highest regular class placement rates and states using "Percent reimbursement" formulas also placed a relatively high percentage in regular classes. "Weighted," and "resource-based" formulas were in place in states with the lowest rates of placement in regular classes and a "flat" formula based on special education enrollment was also associated with relatively low rates of regular class placement.

Figure 1
Regular Class Placement Rates

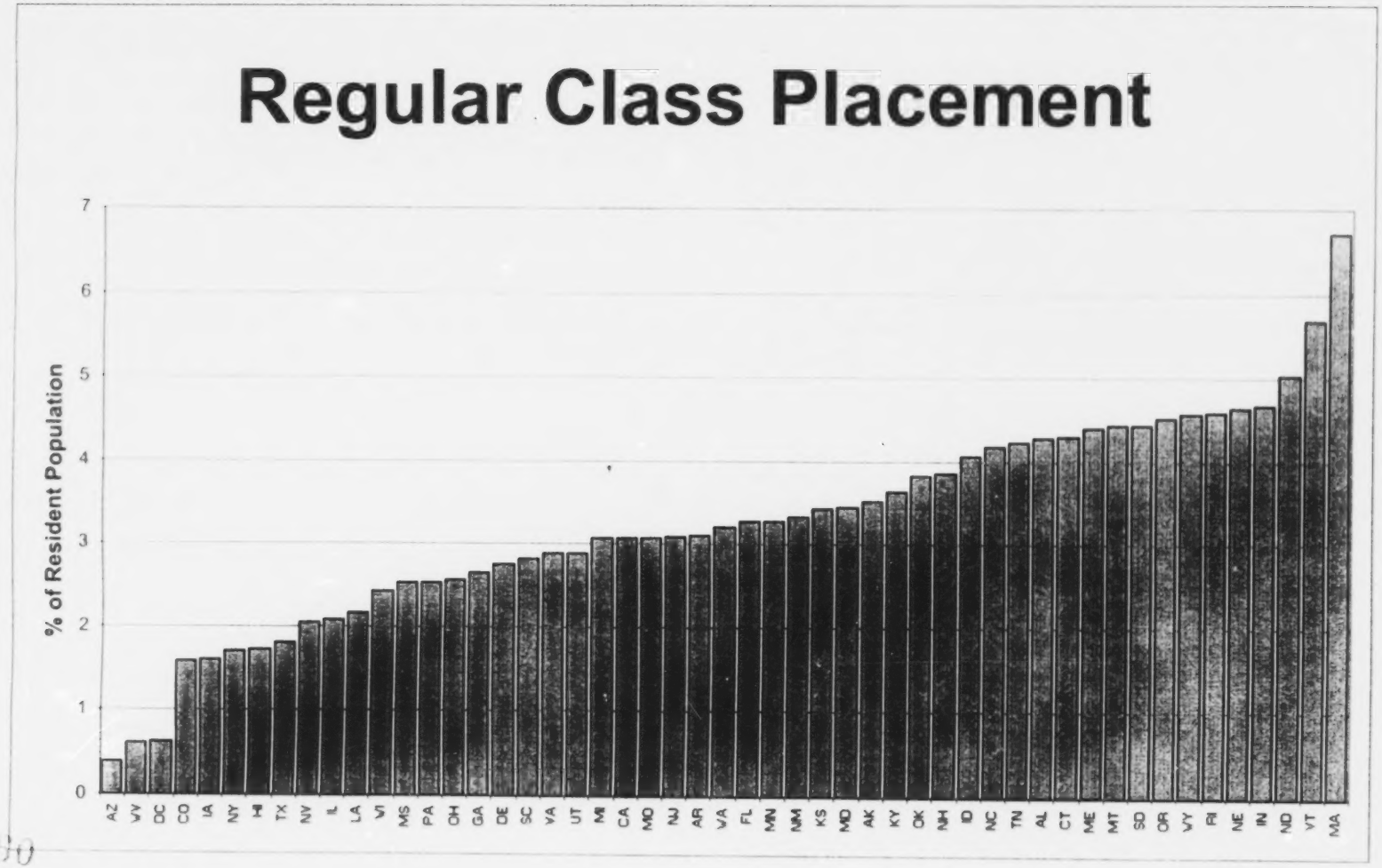
Regular Class Placement
% of Resident Population
0
1
2
3
4
5
6
7
AZ WV DC CO IA NY HI TX NV IL LA VI MS PA OH GA DE SC VA UT MI CA MO NJ AR VA FL MN NM KS MD AK KY OK NH ID NC TN AL CT ME MT SD OR VY RI NE IN ND VT MA

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Table 2
Comparison of Regular Classroom Placement Rates
By Type of Funding Formula

Type of Funding Formula / Basis of Allocation	Number Of States	Regular Class Placement Rate
Flat / District Enrollment	4	4.8
Weighted / Special Education Enrollment	1	4.5
% Reimbursement / Actual Expenditure	7	4.0
% Reimbursement / Allowable Cost	6	3.4
Weighted / Condition	7	3.0
Weighted / Placement and Condition	3	3.0
Resource-Based / Number of Special Education Staff	3	3.0
Resource-Based / Classroom Unit	7	3.0
Flat / Special Education Enrollment	3	2.7
Weighted / Placement	8	2.7
Resource-Based / Allowable Cost	1	2.1

Regular Class Placement Rates and Other State Characteristics

In order to explore whether regular class placement (like placement in separate class and separate schools; O'Reilly, 1995) is associated with region, states were ranked by regular class placement rates and divided into quartiles. The division was created such that Quartile 1 had the lowest rates and Quartile 4 had the highest rates.

Regional patterns are less evident in regular class placement except that the highest rates appear in the northern half of the country with a particular concentration in the north-central states. In contrast with O'Reilly's findings regarding separate class and separate school placements, the correlation of regular class placement with population density is non-significant (Pearson's $r = -.26$; $p = .07$). The data suggest that the determinants of regular class placement rates are multiple and complex. The influences of region and population density on regular class placement rates are less striking, compared to O'Reilly's findings with regard to more restrictive settings. States grouped according to funding formula and basis of allocation show quite a range of placement rates but an easily interpretable pattern is not readily detectable.

the determinants of regular class placement rates are multiple and complex. The influences of region and population density on regular class placement rates are less striking, compared to O'Reilly's findings with regard to more restrictive settings.

Funding Formulas and Regular Class Placements: The Experiences of Three States

Three state directors of special education were interviewed regarding issues and perceptions regarding funding formulas and the placement of children with disabilities in integrated settings. States were chosen on the basis of a relatively high and increasing rate of placement of students with disabilities in regular classes. A description of characteristics of the three states is presented in Table 3.

Table 3
State Characteristics

Feature	State 1	State 2	State 3
Population Density	Low	Middle	Middle
Location	West	Mid-Atlantic	Midwest
Percent White - School Population	93	68	76
Number of School Districts	114	133	140
Percent of Adults Who Dropped Out	20	30	33

Two of the states reported that they employ a flat formula based on student enrollment. The formula in one, however, included adjustments for children served in public residential and day centers who have severe disabilities, and some monies for children over a 12.5% cap of student enrollment. In the other state that employed a flat formula, the formula included an incentive for identifying children with serious emotional disturbance (SED). The state funding formula in the third state was based on specific student-teacher ratios. The ratio decreased in more restrictive placements.

All of the states had experienced some changes in their funding formula in recent years. In the state with the flat formula and adjustment for serving students with SED, the previous formula had not been "placement neutral." When the formula was changed about five years ago, some local districts lost money. Nonetheless, most districts reported that they preferred the "placement neutral" formula.

All three states agreed that a "placement neutral" formula was preferred. The state without the "placement neutral" formula was seeking to change the formula, although consensus was lacking, and the timetable for when a change might occur was not clear.

Conclusions

This *Issue Brief* has presented information about state special education funding formulas and rates of placement in regular class settings. The available information does not support a particular funding formula or approach as a means to assure that both the FAPE and LRE mandates are fully implemented. In all likelihood, there are no incentive-free financing systems. "What is needed are state and federal fiscal policies that fully consider the desired balance between the sometimes competing needs of the LRE and the continuum of services requirements under IDEA" (Parrish, 1995b, p.6). The potential impact of a funding formula on both the FAPE and LRE mandate must be considered at the state and local level and in light of the many factors believed to influence services provided within inclusive arrangements that are appropriate and successful.

In all likelihood, there are no incentive-free financing systems.

A comprehensive picture of all of these factors must include, for example, updated information about the relative state and local share of special education costs. Without these data (previously a federal data reporting requirement), more subtle incentives or disincentives related to funding and placements in which students receive services cannot be known. There is evidence to suggest that the current federal data collection system related to the placement of student with disabilities is insensitive to some of the programmatic changes taking place across the country (Westat, 1994). The current data reporting requirements for settings in which services are received, for example, may not accurately or efficiently reflect current service delivery models (O'Reilly, 1995).

In conclusion, there is limited evidence that any particular funding formula is used more often by states with relatively higher rates of placements in regular classes. Many factors appear to affect placement patterns, only one of which is funding formulas. The grouping of states according to funding formula and basis of

allocation still leaves out the many other adjustments or aspects of implementation of the formula that states often incorporate and that may influence placement decisions within a state.

Consistent with the charge given to the IDEA Working Group to address separately problems with the law (IDEA) versus its implementation, we believe a reasonable policy course is 1) to focus on better implementation and balancing of both the FAPE and LRE mandates within states, and 2) to retain the current state flexibility in administration of funds for special education. Verstegen (1995) recently provided over 15 recommendations for the creation and successful management of more integrated funding and services. Among these were to: review "maintenance of effort" provisions, clarify the "supplement-not-supplant" fiscal accountability provisions, clarify the "incidental benefit" rule, provide federal aid at promised levels, redesign accountability models to focus on results in education and emerging practices for serving students with disabilities in general classrooms, and include students with disabilities as a part of discussions of national education goals.

State and local level educators and policymakers are in the best position to review these and other recommendations in light of particular circumstances, needs, and related initiatives at the federal and state level. As needed, additional reforms, changes in policies or monitoring procedures, continuing professional development initiatives, or changes in the funding formulas could be recommended to assure full identification, appropriate services, and least restrictive programming. For example, in the revision of special education service delivery models, policy makers and educators could also examine and redesign other categorical programs to create more collaborative and flexible systems. Recently, McLaughlin (1995) reported on many of the practices, issues and lessons learned by several states and locals in seeking to consolidate categorical educational programs.

The issue of where students with disabilities will be served remains a fundamental tenet of IDEA and an extremely challenging mandate to implement while providing all students with disabilities with FAPE. Continued examination of the many state and local factors that influence placement decisions within a context of responsible, informed reform is needed to balance and fully implement the requirements of IDEA.

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For more information about this *Issue*

Brief or other **Project ALIGN** products, please contact:

Donald Oswald, Ph.D.
Commonwealth Institute for Child and Family Studies, P.O. Box 980489, Richmond, Virginia 23298
or
Martha Coutinho, Ph.D.
East Tennessee State University, HDAL, P.O. Box 70548, Johnson City, Tennessee 37614.

***Issue Brief* Newsletter Editor**:
Melissa Mitchell, East Tennessee State University

State Close-up Profiles
Integration

Increasing the Integration of Children with Disabilities Within Less Restrictive Environments

Project ALIGN:
"Supporting Data Based Decision Making To Align the Intent and Implementation of IDEA With the Goals of National Education Reform"

PART A State Demographics

- State: Tennessee
- State Director of Special Education

Mr. Joseph Fisher, Assoc. Commissioner
Division of Special Education
TN Department of Education
8th Floor, Gateway Plaza
710 James Robertson Parkway
Nashville, TN 37243-0380

Phone: 615-741-2851
Fax: 615-532-9412

- Name of Contact Person
  Gloria Matta: 615-741-7796
  or Nan Crawford: (-3792)

Tennessee
"Education and Economic Statistics"

School Student Information	Year	Level	State Ranking[1]	Range low to high
4th Grade Reading Proficiency (NAEP Assessment)	1992	213	13(42)	189 - 229
8th Grade Math Proficiency (NAEP Assessment)	1992	258	7(42)	234 - 283
Ethnicity of Enrollment[2]	1992	76	28 (48)	4 - 98%
Student/Teacher Ratio	1991-1992	19	48 (51)	13 - 25
School Fiscal Information				
Per Pupil Revenue	1991-1992	3470	4 (51)	3101 - 8909
Educational Expenditures Per Capita	1990-1991	919	1 (51)	919 - 2286

School Student Information	Year	Level	State Ranking[1]	Range low to high
Elementary/Secondary Expenditures per capita	1990-1991	919	1 (51)	572-1697
Current Educational Expenditures Per Pupil in Membership	1991-1992	3430	5 (51)	2841 - 8705
Teacher Salary	1992-1993	28960	13 (51)	24289 - 48343
Expenditures on Education as Percent of Gross State Product	1988	3	5 (51)	2 - 5
Percent of Revenue (local)	1991-1992	47	27 (51)	2 - 91
Percent of Revenue (state)	1991-1992	42	20 (51)	0 - 90
Percent of Revenue (federal)	1991-1992	11	42 (51)	3 - 17
Chapter 1 Monies/Enrollment	1991-1992	118	31 (51)	33 - 311
State Demographics				
Median Income	1990	24807	12 (51)	20136 - 41721
Percent in Poverty	1992	17	39 (51)	8 - 25
Population Density	1988	117	32 (51)	1 - 8986
Unemployment[3]	1989	4	15 (51)	2 - 8
State Fiscal				
Per Capita Income	1991	17343	14 (51)	14171 - 27513
Human Services Expenditures Per Capita	1990-1991	2757	4 (51)	2440 - 9776
Gross State Product (GSP) Per Capita	1988	17676	19 (51)	13801 - 59289

1 Number in parentheses ( ) represents total number of states providing data. Includes 50 states and DC. 1 is the lowest numerical value, and 51 is the highest.

2 Percent of school enrollment in public elementary and secondary schools that is white.

3 Percent of adults aged 25-64.

Tennessee
Statistics for Children with Disabilities

Percent of Resident Population Identified as Disabled Ages 6-21
1993-1994 School Year

Disability Condition	Specific Learning Disability	Speech & Language Impaired	Serious Emotional Disturbance	Mental Retardation	All Disabilities
Tennessee	5.01	2.15	0.30	1.16	9.46
U.S.	4.19	1.74	0.71	0.93	8.19

Source: Seventeenth Annual Report to Congress. (1995). Washington, DC: Author.

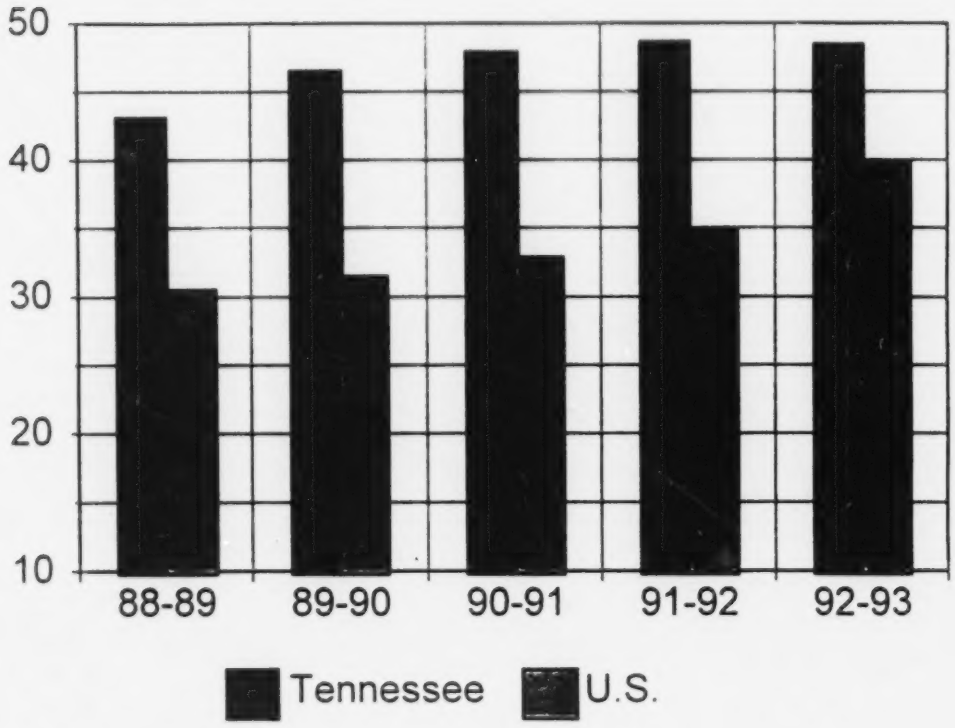
Percentage Served in Various Educational Environments
1992-1993 School Year

Disability Condition	Regular Class	Resource Room	Self-Contained	All Separate Facilities
Specific Learning Disability	44.73(34.83)	41.78(43.91)	12.87(20.08)	0.62(1.18)
Speech & Language Impaired	86.87(81.71)	8.89(10.74)	4.06(5.99)	0.17(1.56)
Serious Emotional Disturbance	27.00(19.62)	21.73(26.65)	35.48(35.22)	15.74(18.51)
Mental Retardation	6.54(7.11)	30.02(26.79)	57.70(56.80)	5.74(9.29)
All Disability Conditions	48.49(39.81)	30.03(31.66)	18.43(23.47)	3.06(5.06)

Note: Number in ( ) corresponds to the national percentage.
Percentages represent children served under IDEA and Chapter 1 (State Operated Programs) ages 6-21.

Source: Seventeenth Annual Report to Congress. (1995). Washington, DC: Author.

Trend in Percentage of Children with Disabilities Served in Regular Classes



1988-89 - 1992-93 School Year for Tennessee and U.S.

Part B: State Experiences and Initiatives to Increase the Integration of Students with Disabilities with the Least Restrictive Environment

1. Please describe state definitions of educational environments:

Option	Descriptions	Contact Hours	Caseload/Class Size
Option 1	a. Consulting Teacher b. Direct Services c. Related Services	a. Consults with regular teacher at least twice a month b. Less than 1 hour per week c. At least twice a month and less than one hour per week (3 times a year OT/PT)	a. 75 students b. 75 students c. 75 students
Option 2	Direct Instructional Services	1-3 hours per week	60 students for one teacher 30 additional students for one aide
Option 3	Resource Program	4-8 hours per week	38 students for one teacher 19 additional students for one aide
Option 4	Resource Program	9-13 hours per week	21 students for one teacher 11 additional students for one aide
Option 5	Resource Program	14-22 hours per week	12 students for one teacher 6 additional students for one aide
Option 6	Ancillary Person	4 hours per day in the regular classroom	2 students
Option 7	Development Class/ Mainstreamed	23 or more hours per week	8 students for one teacher 4 additional students for one aide
Option 8	Self-Contained Comprehensive Development Class	32.5 or more hours per week* including 2 related services	5 students for one teacher 2 additional students for one aide
Option 9	Residential Program	24 hours per day	
Option 10	Homebound/ Hospital Instruction	3 hours per week	8 students

A copy of the Federal definitions follows:

Type of Setting	Federal Definition
Regular Class	...includes students who receive the majority of their education and related services outside the regular classroom for less than 21 percent of the school day. It includes children placed in a regular class and receiving special education outside the regular class.
Resource Class	...includes students who receive special education and related services outside the regular classroom for at least 21 percent but not more than 60 percent of the school day. This may include students placed in resource rooms with part-time instruction in a regular class.
Self-Contained	...includes students who receive special education and related services outside the regular classroom for more than 60 percent of the school day. Students may be placed in self-contained classes full- time on a regular school campus.
All Separate Facilities	... can be a separate school, which includes students who receive special education and related services in separate day schools for students with disabilities for more than 50 percent of the school day; a residential facility, which includes students who receive education in a public of private residential facility, at public expense, for more than 50 percent of the school day; or a homebound/hospital environment which includes students placed in and receiving special education in hospitals or homebound programs.

2. How do you report children with disabilities who are served in the regular class through indirect consultation services only?

Children with disabilities who are served entirely in the regular classroom through consultative arrangements are eligible to receive services and are reported as served in the regular class.

3. Please describe any changes in the definition of any of the educational environments in the last 10 years (for example, changing the percent of time).

Tennessee has maintained the 10 options for several years. A slightly different system was in place years ago, but functioned in the same manner as the one used now.

4. Please describe any state initiatives, (policy changes, new interpretation of regulations, state system change initiatives, etc.) intended to increase the integration of children with disabilities in the last 10 years.

Tennessee has provided support for inclusive practices in a number of ways in the last several years. For example, the state supports a position in the state department for an individual whose primary responsibility is to assist local districts in developing and implementing more inclusive services (Ms. Nan Crawford). At the state sponsored program improvement and leadership meetings, held at least annually, presentations and workshops are held. These sessions highlight the policies and best practices of specific districts in Tennessee and schools across the country who are making progress in implementing inclusive practices. In addition, Sumter county has developed a model program. Information about the program is disseminated by the state as well as Sumter county. Districts throughout Tennessee have visited the site to learn first hand about the programs.

A separate initiative by the state has been to permit local districts to serve students with disabilities in the regular classroom utilizing an instructional aide, not only a special education teacher. Services may be provided up to, but not in excess of the time permitted within the service option (one of the 10) designated for the student. Local districts must seek and received permission to implement this type of service through a waiver process.

6. Are you planning or implementing anything now to continue your progress in serving children with disabilities in less restrictive environments?

No specific new initiatives are planned. However, changes in the funding formula so that it functions in a more placement neutral manner are being proposed (see Part C).

PART C: State Special Education Funding Formula

7. Please describe your state's current funding formula to support special education and related services to children with disabilities

Each service option generates monies for a teacher based on specific teacher-student ratios. As the placement settings become more restrictive, fewer students in membership are needed to generate sufficient funds for a teacher.

8. In 1992, The Center for Special Education Finance categorized your special education finance system as:
Does this seem accurate now?

Tennessee uses a resource-based special education finance system. The funding is based on allocation of specific education resources.

9. Has your funding formula changed in the last 10 years? If so, please describe what was changed.

The earlier formula weighted monies based on the number of hours in each program option. The current formula functions in the same manner, e.g., more monies become available in the more restrictive placements.

10. In what way(s) does the current funding formula provide a financial incentive or disincentive to serve children in particular educational settings? If not, do you think the formula is "Placement Neutral" -- provides no financial incentive to place a children in a particular environment.

The current formula may serve a financial disincentive to serve children in less restrictive settings.

11. Do you believe funding formulas should:

- **a) be "placement neutral"**
- **b) encourage placement in less restrictive settings**
- **c) should more funds to settings in which services are often more expensive**

Tennessee state department representatives have forwarded proposals to make the funding formula placement neutral. They prefer a formula that provides financial support irrespective of the child's disability or where services are provided. They support federal proposals to change the funding formula to become placement neutral. Previous efforts to change the formula have not received Commissioner approval, but the effort to bring a change continues in the current year. As a part of any change, the state would consider whether "grandfather" clauses might be appropriate to reduce the impact on local districts who would receive less monies under a changed formula.

12. Please describe your state formula to support general education.

The state's formula to support general education is based on the number of students enrolled (average daily membership) that generate a teacher. Different grade levels, e.g., kindergarten, grades 1-3, grades 4-7, and 8-12, have specific teacher-student ratios needed to generate sufficient funds for a teacher.

State Close-up Profiles
Integration

Increasing the Integration of Children with Disabilities Within Less Restrictive Environments

Project ALIGN:
"Supporting Data Based Decision Making To Align the Intent and Implementation of IDEA With the Goals of National Education Reform"

PART A: State Demographics

- State: North Carolina
- State Director of Special Education

Mr. Lowell Harris, Director
Division of Exceptional Children's Services
NC Dept. Of Public Instruction
301 N. Wilmington Street
Raleigh, NC 27701-2825

Phone: 919-715-1565
Fax: 919-715-1569

North Carolina
"Education and Economic Statistics"

School Student Information	Year	Level	State Ranking[1]	Range Low to High
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Ethnicity of Enrollment[2]	1992	66	20 (48)	4 - 98%
Student/Teacher Ratio	1991-1992	17	24 (51)	13 - 25
School Fiscal Information				
Per Pupil Revenue	1991-1992	5096	26 (51)	3101 - 8909
Educational Expenditures Per Capita	1990-1991	1180	21 (51)	919 - 2286
Elementary/Secondary Expenditures Per Capita	1990-1991	777	16 (51)	572 - 1697

School Student Information	Year	Level	State Ranking[1]	Range Low to High
Current Educational Expenditures Per Pupil in Membership	1991-1992	4246	17 (51)	2841 - 8705
Teacher Salary	1992-1993	29315	15 (51)	24289 - 48343
Expenditures on Education as Percent of Gross State Product	1988	3	10 (51)	2 - 5
Percent of Revenue (local)	1991-1992	28	9 (51)	2 - 91
Percent of Revenue (state)	1991-1992	65	43 (51)	0 - 90
Percent of Revenue (federal)	1991-1992	7	30 (51)	3 - 17
Chapter 1 Monies/ Enrollment	1991-1992	101	23 (51)	33 - 311
State Demographic				
Median Income	1990	26647	18 (51)	20136 - 41721
Percent in Poverty	1992	16	37 (51)	8 - 25
Population Density	1988	124	34 (51)	1 - 8986
Unemployment[3]	1989	3	5 (51)	2 - 8
State Fiscal				
Per Capita Income	1991	17683	17 (51)	14171 - 27513
Human Services Expenditures Per Capita	1990-1991	3035	14 (51)	2440 - 9776
Gross State Product (GSP) Per Capita	1988	18616	29 (51)	13801 - 59289

1 Number in parentheses ( ) represents total number of states providing data. Includes 50 states and DC. 1 is the lowest numerical value, and 51 is the highest.

2 Percent of school enrollment in public elementary and secondary schools that is white.

3 Percent of adults aged 25-64.

North Carolina
Statistics for Children with Disabilities

Percent of Resident Population Identified as Disabled Ages 6-21
1993-1994 School Year

Disability Condition	Specific Learning Disability	Speech & Language Impaired	Serious Emotional Disturbance	Mental Retardation	All Disabilities
North Carolina	3.64	1.67	0.64	1.48	8.05
U.S.	4.19	1.74	0.71	0.93	8.19

Source: Seventeenth Annual Report to Congress. (1995). Washington, DC: Author.

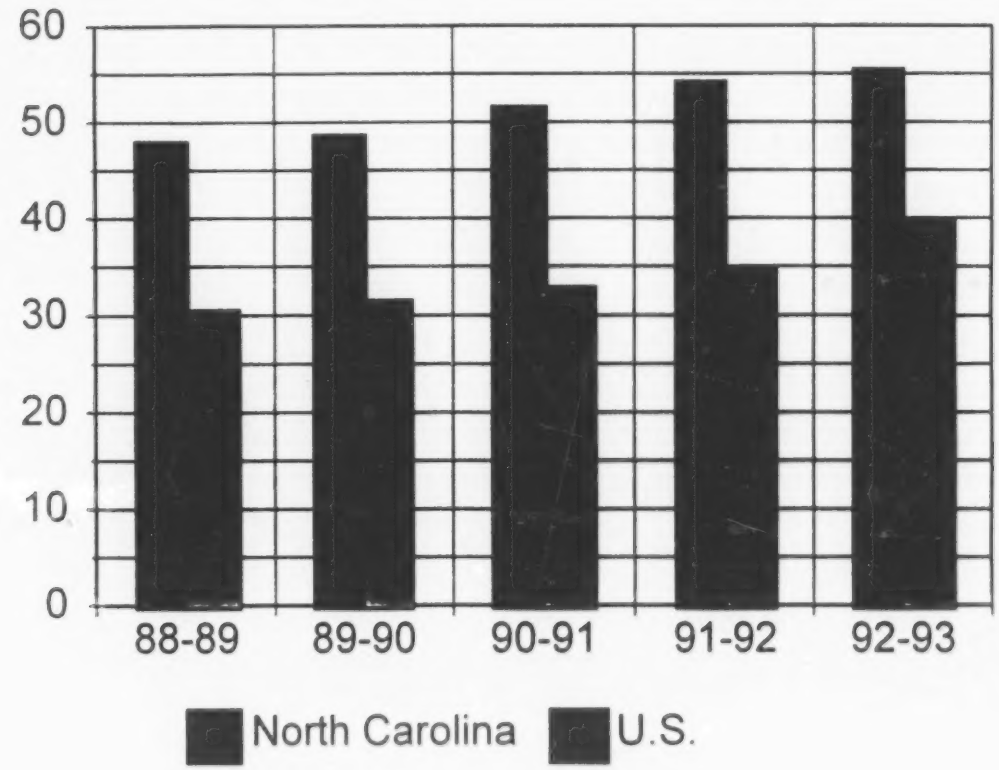
Percentage Served in Various Educational Environments
1992-1993 School Year

Disability Condition	Regular Class	Resource Room	Self-Contained	All Separate Facilities
Specific Learning Disability	59.22(34.83)	32.43(43.91)	7.99(20.08)	0.37(1.18)
Speech & Language Impaired	98.70(81.71)	0.35(10.74)	0.81(5.99)	0.14(1.56)
Serious Emotional Disturbance	32.49(19.62)	23.04(26.65)	38.59(35.22)	5.87(18.51)
Mental Retardation	10.58(7.11)	33.21(26.79)	48.20(56.80)	7.99(9.29)
All Disability Conditions	55.49(39.81)	24.08(31.66)	17.17(23.47)	3.25(5.05)

Note: Number in ( ) corresponds to the national percentage.
Percentages represent children served under IDEA and Chapter 1 (State Operated Programs) ages 6-21.

Source: Seventeenth Annual Report to Congress. (1995). Washington, DC: Author.

Trend in Percentage of Children with Disabilities Served in Regular Classes



1988-89 - 1992-93 School Year for North Carolina and U.S.

PART B: Educational Environments of Students with Disabilities

1. Please describe state definitions of educational environments:

Type of Setting	Federal Definition	State Definition
Regular Class	...includes students who receive the majority of their education and related services outside the regular classroom for less than 21 percent of the school day. It includes children placed in a regular class and receiving special education outside the regular class.	North Carolina uses the federal definitions
Resource Class	...includes students who receive special education and related services outside the regular classroom for at least 21 percent but not more than 60 percent of the school day. This may include students placed in resource rooms with part-time instruction in a regular class.	
Self-Contained	...includes students who receive special education and related services outside the regular classroom for more than 60 percent of the school day. Students may be placed in self-contained classes full- time on a regular school campus.	
All Separate Facilities	... can be a separate school, which includes students who receive special education and related services in separate day schools for students with disabilities for more than 50 percent of the school day; a residential facility, which includes students who receive education in a public of private residential facility, at public expense, for more than 50 percent of the school day; or a homebound/hospital environment which includes students placed in and receiving special education in hospitals or homebound programs.	

2. How do you report children with disabilities who are served in the regular class through indirect consultation services only?

Children with disabilities who are served in the regular class through indirect consultation services are reported as served in the regular class. All of these students are identified as disabled and have an IEP. To provide "specially designed instruction," a special educator provides consultative assistance to the regular class teacher and direct services to students within the regular classroom.

3. Please describe any changes in the definition of any of the educational environments in the last 10 years (for example, changing the percent of time).

The categories and percentage of time representing each category have not changed. The wording, however, did change. Several years ago placement settings were described in terms of the time a student receives special education services. Now, the terminology is to describe the amount of time a child with disabilities is served

in an environment with regular education peers.

4. Please describe any state initiatives, (policy changes, new interpretation of regulations, state system change initiatives, etc.) intended to increase the integration of children with disabilities in the last 10 years.

In the last several years, there have been three state sponsored activities to support the integration of students with disabilities. In 1991, the State Department began an initiative culminating in the development of a position statement on Inclusive Education. The statement was developed through the efforts of a team representing general education, special education, related services personnel, administrators (principals), district special education supervisors, parents, professional organizations, state operated programs, and higher education. The position statement targeted students with all disability conditions. The State Department disseminated the position statement throughout all 119 local school districts. The Position Statement was intended to provide direction and support to local education agencies interested in inclusive education practices. As a result, several local districts have developed more inclusive education practices. This initiative was supported entirely through the state and was not linked to any other initiative. A second ongoing initiative by the State Department has been to support special study institutes. The institutes provide the opportunity for teams of local school personnel to become trained in best practices in inclusive education. Teams are comprised of general and special educators, administrators, and related service personnel. Once trained, these local districts serve to model implementation of practices and to train other personnel in other districts. The original training was provided by staff of the California Research Institute, national experts, and individuals within North Carolina at the local level with expertise in inclusive education.

In a related initiative, the State Department contracted with a local district (Rockingham County) to fund an individual as a Inclusive Education Facilitator. The facilitator works with districts on an individual basis, including visits to model sites implementing successful inclusive practices as well as providing problem solving and assistance to implement inclusive practices in the local districts own schools.

6. Are you planning or implementing anything now to continue your progress in serving children with disabilities in less restrictive environments?

Currently, the State Department is conducting a study to provide the basis for providing additional school staff professional development. Based partially on results of federal monitoring, the study is looking at local districts with high portions of students with disabilities who are served in highly segregated environments. Individual planning meetings with the districts in the study are planned to identify issues and develop plans for additional school staff professional development.

PART C: State Special Education Funding Formula

7. Please describe your state's current funding formula to support special education and related services to children with disabilities

The North Carolina formula represents a Flat grant with some adjustments. The state funds are distributed based on the number of children served in a local district, up to a 12.5% cap of the district average membership. Adjustments to the formula are: 1) some money is now provided for students above the 12.5% cap approximately, $427 per child; 2) separate, additional, assistance is provided per child to local districts to support children with disabilities who are served through Developmental Day Centers; and 3) the costs of serving children with severe and profound disabilities who are served in Community Residential Centers is borne by the state. Criteria for eligibility and placement in the Community Residential Centers is very rigorous and limited to students whose impairments require assistance in educational, medical, and daily living areas on a 24 hour basis.

8. Has your funding formula changed in the last 10 years? If so, please describe what was changed.

The overall formula has not changed. The relative state share is increasing slightly over time. Studies by North Carolina indicated that although the costs to provides services to students with disabilities was 2.3 times that need to serve a nondisabled student, the actual level of support was approximately 1.9 times. The State's intention is to increase funding up to the 2.3 level. A recent adjustment in the formula (described in #7) has been to provide some monies to support services to children above the 12.5% cap.

9. In what way(s) does the current funding formula provide a financial incentive or disincentive to serve children in particular educational settings? If not, do you think the formula is "Placement Neutral" i.e., provides no financial incentive to place a children in a particular environment.

The current funding formula is believed to be "placement neutral" -- as providing neither an incentive or disincentive to serve students in a particular education setting. The State Department believes a "placement neutral" formula well serves needs in North Carolina and removes incentives to identify or place children in a manner that brings in additional funds rather than basing decision solely on the needs of the child.

10. Do you believe funding formulas should:

- **a) be "placement neutral"**
- **b) encourage placement in less restrictive settings**
- **c) should more funds to settings in which services are often more expensive**

A. It should be "placement neutral".

11. Please describe your state formula to support general education.

Funds to support regular education flow to local school districts based on average daily membership. Students with disabilities receive the regular education and special education dollars.

State Close-up Profiles
Graduation Rates

Project ALIGN:

"Supporting Data Based Decision Making To Align the Intent and Implementation of IDEA With the Goals of National Education Reform"

Increasing the Graduation Rate of Children with Disabilities.

PART A: State Demographics

- State: Utah
- State Director of Special Education

Dr. Steve Kukic, Director of At Risk & Special Education Services
Special Education Services Unit
Utah State Office of Education
250 East 500 South
Salt Lake City, UT 84111-3204

Phone: 801-538-7706
Fax: 801-538-7991

- Name of Contact Person

Ken Henefer
Educational Specialist
Transition Services and Applied Technology
At Risk Section

Utah
"Education and Economic Statistics"

School Student Information	Year	Level	State Ranking[1]	Range low to high
4th Grade Reading Proficiency (NAEP Assessment)	1992	222	28(42)	189 - 229
8th Grade Math Proficiency (NAEP Assessment)	1992	274	34(42)	234 - 283
Ethnicity of Enrollment[2]	1992	92	47 (48)	4 - 98%
Student/Teacher Ratio	1991-1992	25	51 (51)	13 - 25
School Fiscal Information				
Per Pupil Revenue	1991-1992	3384	3 (51)	3101 - 8909

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School Student Information	Year	Level	State Ranking[1]	Range low to high
Educational Expenditures Per Capita	1990-1991	1274	31 (51)	919 - 2286
Elementary/Secondary Expenditures Per Capita	1990-1991	773	14 (51)	572 - 1697
Current Educational Expenditures Per Pupil in Membership	1991-1992	2841	1 (51)	2841 - 8705
Teacher Salary	1992-1993	27239	8 (51)	24289 - 48343
Expenditures on Education as Percent of Gross State Product	1988	4	34 (51)	2 - 5
Percent of Revenue (local)	1991-1992	36	17 (51)	2 - 91
Percent of Revenue (state)	1991-1992	57	38 (51)	0 - 90
Percent of Revenue (federal)	1991-1992	7	29 (51)	3 - 17
Chapter 1 Monies/ Enrollment	1991-1992	33	1 (51)	33 - 311
State Demographic				
Median income	1990	29470	31 (51)	20136 - 41721
Percent in Poverty	1992	9	3 (51)	8 - 25
Population Density	1988	20	9 (51)	1 - 8986
Unemployment[3]	1989	5	34 (51)	2 - 8
State Fiscal				
Per Capita Income	1991	15437	3 (51)	14171 - 27513
Human Services Expenditures Per Capita	1990-1991	3015	13 (51)	2440 - 9776
Gross State Product (GSP) Per Capita	1988	15642	11 (51)	13801 - 59289

1 Number in parentheses ( ) represents total number of states providing data. Includes 50 states and DC. 1 is the lowest numerical value, and 51 is the highest.

2 Percent of school enrollment in public elementary and secondary schools that is white.

3 Percent of adults aged 25-64.

State
"Vital Statistics" for Children with Disabilities

Percent of Resident Population Identified as Disabled Ages 6-21
1993-1994 School Year

Disability Condition	Specific Learning Disability	Speech & Language Impaired	Serious Emotional Disturbance	Mental Retardation	All Disabilities
Utah	4.51	1.30	1.02	0.57	8.00
U.S.	4.19	1.74	0.71	0.93	8.19

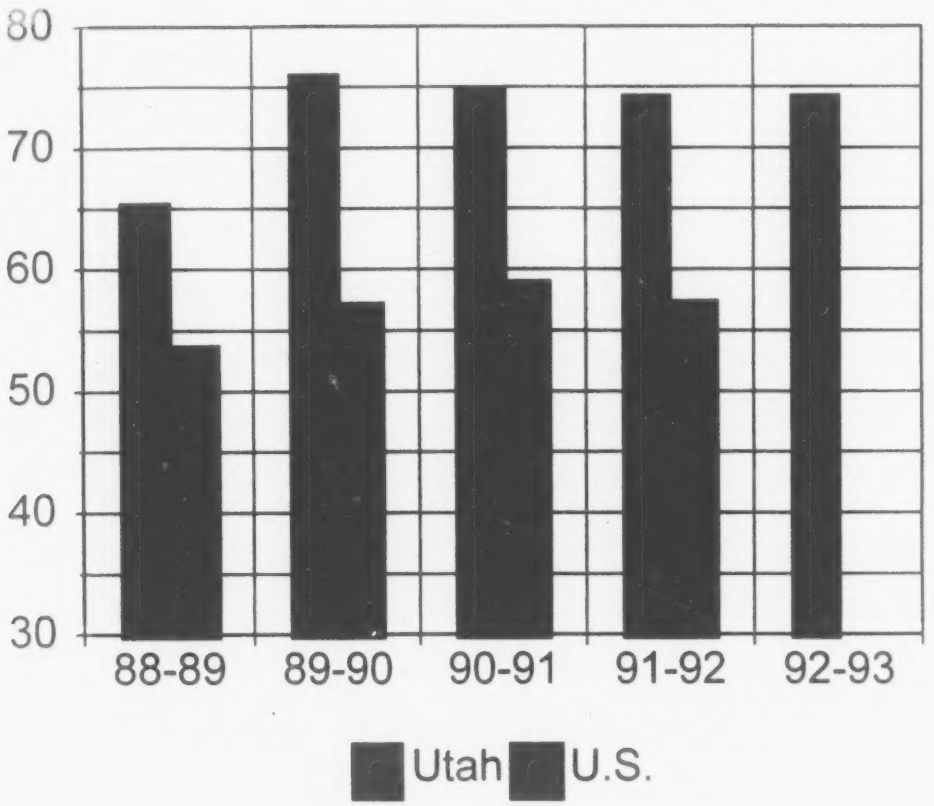
Source: Seventeenth Annual Report to Congress. (1995). Washington, DC: Author.

Means of Exit for Children with Disabilities
1992-1993 School Year

Disability Condition	Diploma	Certificate	Dropped Out	All Other & Unknown
Specific Learning Disability	68.7	9.8	15.0	6.6
Speech & Language Impaired	71.0	3.2	3.2	22.6
Serious Emotional Disturbance	54.5	10.7	27.0	7.5
Mental Retardation	43.4	37.7	9.4	9.4
All Disability Conditions	58.7	15.6	16.8	8.9

Source: Sixteenth Annual Report to Congress. (1995). Washington, DC: Author.

Trend in Percentage of Children with Disabilities Exiting with a Diploma or Certificate



1988-89 - 1992-93 School Year for Utah and U.S.
National totals were not available for 1992-93.

PART B: State Experiences and Initiatives to Increase the Graduation Rate of Students with Disabilities

1. Please describe state exit requirements for obtaining a regular diploma:

Students must demonstrate mastery of the State Core Curriculum. They demonstrate mastery through satisfactory completion of specified courses. There is no state mandated minimum competency or literacy exam. The Utah Core Curriculum represents standards of learning that are essential for all students. They are comprehensive and were developed through a far-reaching, strategic reform initiative.

2. Do these requirements apply to children with disabilities? If not, how are they different?

The same requirements apply for youth with disabilities. Emphasis is upon demonstration of mastery of the requirements of the core curriculum. Therefore, modifications may be made in the stimulus or response requirements needed to demonstrate mastery. For example, a student may be provided extra time during testing or allowed to demonstrate mastery through a verbal rather than written format. Exemptions to any requirements are provided for through the IEP process.

3. Does your state offer alternatives to a regular diploma to students who complete their assigned program (e.g., a certificate of completion)? If yes, please describe state exit requirements for obtaining each type of certificate and how the requirements are implemented for children with disabilities?

A certificate of completion is available to students who cannot meet the requirements of the core curriculum. Very few students exit in this manner--approximately four times fewer than those graduating with a diploma in the 1991-1992 and 1992-1993 school years. The emphasis is upon implementing the program and modifications needed to exit with a diploma.

4. Do you provide outreach or information to students who have dropped out to obtain a GED?

Information about obtaining a GED is provided through Adult Education, not Special Education. Information and assistance is provided to any student who drops out, including those with disabilities. While students with disabilities are enrolled, the emphasis is on developing and implementing a program that leads to graduation and preparedness for adult life, e.g., a career.

5. Please describe any changes in the requirements for exiting with a diploma and/or a certificated in the last 10 years (for example, passing a minimum competency test, passing a literacy test).

Requirements have not changed--the state rules have remained approximately

the same. The state now implements a state wide assessment system, using the Stanford Achievement Tests, which is administered in grades 4, 8, and 11. For students with severe disabilities, an accountability system is in place that is modeled after a similar program in Kentucky. All students with disabilities are required to demonstrated mastery of the core curriculm. Exemptions or modifications are made on a case by case basis by the IEP team.

6. Please describe any state initiatives, (policy cha.ıges, new interpretation of regulations, state system change initiatives, etc.) intended to increase the graduation rate of children with disabilities in the last 10 years.

State leadership and local initiatives in the last several years have placed emphasis on the educational experiences and the access to courses and experiences that lead to vocational preparedness--not on increasing the graduation rate, per se. Initiatives have focused on "what students get," particularly vocational opportunities and implementation of individualized transition planning.

In 1990-91, the state department conducted a comparative analysis of the post school outcomes of young adults with disabilities in Utah as compared to the results obtained for the nationally representative sample of youth with disabilities studied in the National Longitudinal Transition Study (Wagner, SRI). In many respects, the news was good news. Youth in Utah were receiving higher wages, more often living independently, and more often employed. This analysis helped shape subsequent state efforts.

Also in 1990-91, Utah received one of the federally funded statewide transition systems change grants (U.S. Office of Special Education Programs): Project STUDY (Systematic Transition for Utah's Disabled Youth). The Project Director for this five year grant has been Donna Suiter. Project STUDY organized the local districts into four regions within which transition initiatives have been implemented. All disabilities conditions and levels of severity were targeted. Preschool transitions were also included, thus a Life Span transition perspective. An additional emphasis has been student self-advocacy and participation in development of transition plans. Within regions, Regional Interagency Councils have functioned to develop and coordinate services across agencies, including Vocational Rehabilitation, Special Education, and JTPA representatives (Job Training Partnership Act). Local needs have been accommodated through liaison with nine local councils. The councils were formed by the Governor to represent different economic and demographic regions within the state. Project STUDY has also been supported through some state matching funds generated through Part B state set-aside dollars. Now in its final year, Utah is extremely satisfied with the process and outcomes established through Project STUDY. An important indicator of success is that individualized transition planning is fully implemented within the state.

7. Instead of or in addition to special initiatives emphasizing graduation, please describe any traditions, separate initiatives, or other factors that you believe have

contributed to your relatively higher graduation rates.

In 1995, Utah received one of the federally funded School to Work Grants through the Department of Labor. Titled the School to Career Grant, this is a broad based initiative to assist all students, including those with disabilities to make a successful transition from school to a career. The opportunities available to nondisabled youth are also made available to students with disabilities. Dr. Kukic (Director of At Risk and Special Education Services) serves on the state-wide committee, Ken Henefer serves on the sub-committee for special populations, and a full-time position on the grant, that addresses the needs of special populations is to be funded 1/3 through Rehabilitation, 1/3 Special Education and 1/3 the School to Careers grant.

The State Department regards the substantial involvement of individuals addressing the needs of youth with disabilities as extremely important. It also represents the evolution of earlier charismatic and "special education" initiatives into systemic change initiatives that are based within education in general.

Finally, state leadership initiatives have been accompanied by a reorganization of several state agencies serving youth at risk of educational failure. The State Department has designated an "At Risk Section," in which federal and state monies and efforts across several agencies are coordinated. Agencies include, for example, Special Education, Migrant Education, Substance Abuse, Chapter 1, Applied Technology (Vocational Education) and the FACT initiative (families and agencies). This consolidation makes the design and implementation of programs to serve youth with disabilities more efficient and effective.

8. Are you planning any changes to policies or services or implementing anything over the next couple of years to continue to increase graduation rates for youth with disabilities?

The state wide transition systems change grant is institutionalizing its functions to permit assistance and provide for enduring change. The School to Careers grant will continue for several years. "Utah Transition Guidelines," from pre-school to post-school environments have been prepared and are expected to further increase Utah graduation rates for children with disabilities.

PART C: Individualized Transition Planning for Youth With Disabilities

1. How does your state implement individualized transition planning for youth with disabilities? (e.g., develop and implement an Individualized Transition Plan)

Utah implements individualized transition planning for youth with disabilities through the IEP process. A separate individual transition plan is not prepared. In Utah, an individual plan is prepared for all students: the Student Education Plan (SEP) for elementary students, and the Student Educational and Occupational Plan (SEOP) for secondary students. The IEP is the accepted document for developing plans for students with disabilities. Utah plans a longer term effort to "merge" the requirements of the IEPs within the SEPs and SEOPs.

2. At what age does transition planning begin?

Transition planning begins at age 16, or earlier if appropriate. If a students demonstrates warning signs that he/she may be considering dropping out or that the program may not be addressing student needs, transition planning is initiatives earlier than 16. The mandatory age to begin transition planning, however, is 16. It is estimated that planning begins before 16 for about one fifth of youth with disabilities.

3. Has the age at which transition planning begins changed in the last several years? If so, When? and Why?

The age at which transition planning begins has not changed. There has always been local flexibility to implement planning when student needs warrant that transition planning begin. Increasing emphasis has been placed, as stated earlier, on "what students get" through their educational program to ensure it prepares individuals for the world of work.

4. If transition planning does not currently begin at age 14, do you think IDEA should be amended to require transition planning should begin by that age? Why?

The current system, with its flexibility is working well. Mandating that transition planning begin for all youth with disabilities at age 14 in all local districts is not believed to be necessary and could have a counterproductive impact. The current system has encourage local responsibility and accountability. State monitoring and compliance has not indicated a problem with the current system.

5. Who has responsibility to coordinate development and implementation of ITP or IEP?

The special education teacher initiates the transition planning process. Within each high school, a transition specialist then assumes several transition responsibilities, including transition classes, liaison with adult agencies, locating and making

arrangements for paid employment experiences, etc. Each student's IEP summarizes the transition plan.

6. How long have you been implementing individualized transition planning for all youth with disabilities?

Utah implemented individualized transition planning consistent with the federal mandate in the 1993-1994 year, and are now completing their 3rd year of implementation.

7. Has special support or training been provided to implement individualized transition planning on a state wide basis? If so, please describe:

Project STUDY provide systematic support and assistance to local district implementing transition planning. Additional assistance was provided through Utah's Comprehensive Staff Development activities.

8. Based on your state's experience, do you believe implementation of individualized transition planning services helps youth with disabilities complete school and not drop out?

Utah's experience dictates an "unqualified yes" -- individualized transition planning and services help youth with disabilities complete a meaningful secondary school experience and exit with a diploma.

9. Based on your state's experience, do you believe implementation of individualized transition planning services helps youth with disabilities achieve better adult life outcomes (e.g., employment) irregardless of any effects on school completion?

Yes. Statewide implementation of individualized transition planning and services and the School to Careers Grant are believed to be very successful in assisting students to leave school with a marketable skill, prepared for adult life.

10. Please identify any obstacles, barriers, or unmet needs that will need to be addressed to implement individualized transition planning on the most successful basis: (e.g., additional training and support to teachers, more interagency coordination, additional funding)

A continuing need is to increase the willingness of the many agencies to work together effectively. Sometimes, "turfsmanship" interferes with planning and delivery of the needed services. To help address this obstacle, Utah received a grant from the Council of Chief State School Officers to improve coordination across Special Education, Vocational Rehabilitation and Applied Technology (Vocational Education).

State Close-up Profiles
Graduation Rates

Project ALIGN:

"Supporting Data Based Decision Making To Align the Intent and Implementation of IDEA With the Goals of National Education Reform"

Increasing the Graduation Rate of Children with Disabilities.

PART A: State Demographics

- State: Maine
- State Director of Special Education

Mr. David Noble Stockford, Director
Division of Special Education
Maine Department of Education
Station #23
Augusta, Me 04333

Phone: 207-287-5950
Fax: 207-287-5900

Maine
"Education and Economic Statistics"

School Student Information	Year	Level	State Ranking[1]	Range (low to high)
4th Grade Reading Proficiency (NAEP Assessment)	1992	228	41(42)	189 - 229
8th Grade Math Proficiency (NAEP Assessment)	1992	278	38(42)	234 - 283
Ethnicity of Enrollment[2]	1992	Not Available	1 (48)	4 - 98%
Student/Teacher Ratio	1991-1992	14	5 (51)	13 - 25
School Fiscal Information				
Per Pupil Revenue	1991-1992	5907	42 (51)	3101 - 8909
Educational Expenditures Per Capita	1990-1991	1280	32 (51)	919 - 2286
Elementary/Secondary Expenditures Per Capita	1990-1991	1280	42 (51)	572 - 1697

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School Student Information	Year	Level	State Ranking[1]	Range (low to high)
Current Educational Expenditures Per Pupil in Membership	1991-1992	5182	35 (51)	2841 - 8705
Teacher Salary	1992-1993	30250	21 (51)	24289 - 48343
Expenditures on Education as Percent of Gross State Product	1988	4	44 (51)	2 - 5
Percent of Revenue (local)	1991-1992	44	23 (51)	2 - 91
Percent of Revenue (state)	1991-1992	50	31 (51)	0 - 90
Percent of Revenue (federal)	1991-1992	6	21 (51)	3 - 17
Chapter 1 Monies/Enrollment	1991-1992	143	43 (51)	33 - 311
State Demographics				
Median Income	1990	27854	25 (51)	20136 - 41721
Percent in Poverty	1992	13	26 (51)	8 - 25
Population Density	1988	36	15 (51)	1 - 8986
Unemployment[3]	1989	3	10 (51)	2 - 8
State Fiscal				
Per Capita Income	1991	18395	21 (51)	14171 - 27513
Human Services Expenditures Per Capita	1990-1991	3628	33 (51)	2440 - 9776
Gross State Product (GSP) Per Capita	1988	18349	25 (51)	13801 - 59289

1 Number in parentheses ( ) represents total number of states providing data. Includes 50 states and DC. 1 is the lowest numerical value, and 51 is the highest.
2 Percent of school enrollment in public elementary and secondary schools that is white.
3 Percent of adults aged 25-64.

Maine
Statistics for Children with Disabilities

Percent of Resident Population Identified as Disabled Ages 6-21
1993-1994 School Year

Disability Condition	Specific Learning Disability	Speech & Language Impaired	Serious Emotional Disturbance	Mental Retardation	All Disabilities
Maine	4.42	2.17	1.48	0.53	9.54
U.S.	4.19	1.74	0.71	0.93	8.19

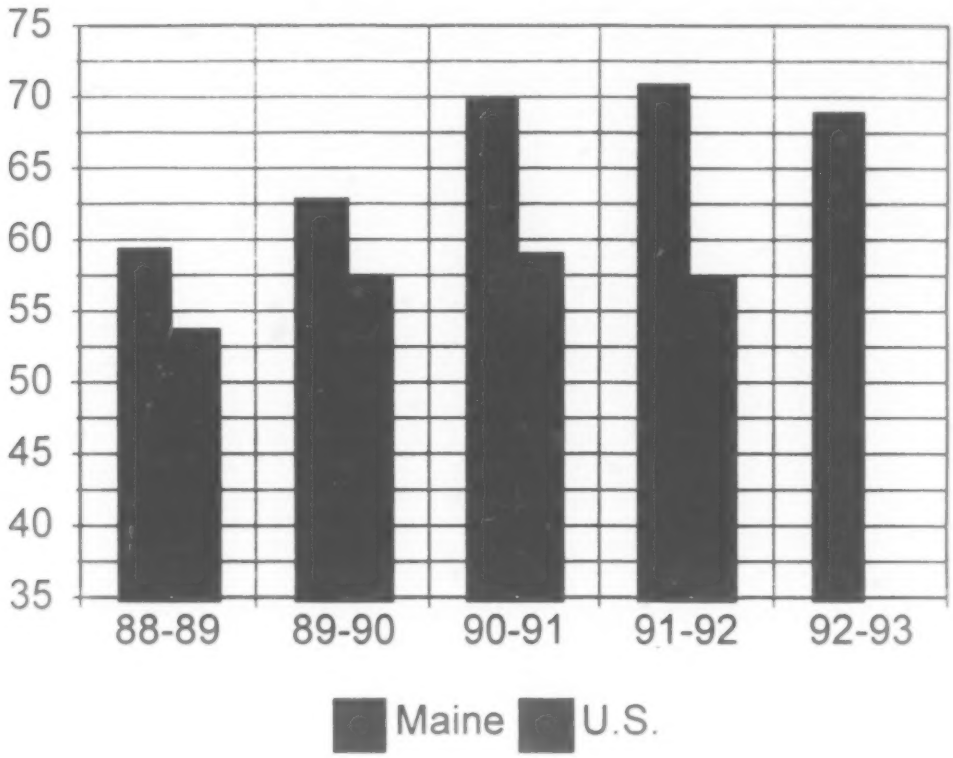
Source: Seventeenth Annual Report to Congress. (1995). Washington, DC: Author.

Means of Exit for Children with Disabilities
1992-1993 School Year

Disability Condition	Diploma	Certificate	Dropped Out	All Other & Unknown
Specific Learning Disability	72.0	2.0	20.3	5.7
Speech & Language Impaired	80.4	4.3	10.9	4.3
Serious Emotional Disturbance	47.2	1.5	34.3	17.0
Mental Retardation	55.7	15.8	18.4	10.1
All Disability Conditions	64.0	4.9	22.1	9.0

Source: Sixteenth Annual Report to Congress. (1995). Washington, DC: Author.

Trend in Percentage of Children with Disabilities Exiting with a Diploma or Certificate



1988-89 - 1992-93 School Year for Maine and U.S.
National totals were not available for 1992-93.

Part B: State Experiences and Initiatives to Increase the Graduation Rate of Students with Disabilities

1. **Please describe state exit requirements for obtaining a regular diploma:**

The State of Maine prescribes a number of secondary school program requirements. At this time, there is no minimum competency test requirement. The state does implement state-wide assessments at grades 4, 8, and 11 which are used for program improvement purposes. During the last several months, Maine has investigated the use of Learning Results Assessments, derived originally from the Common Core of Learning. Although proposed in the state legislature earlier this year, state policy was not changed. However a state Critical Review Committee was formed, comprised of legislators, parents, and various stakeholders. This group is reviewing and will provide recommendations related to the standards and benchmarks for achieving them. These standards and benchmarks, as they are revised, may become part of a voluntary system implemented at the local level. The process includes investigating the use of portfolios as well.

2. **Do these requirements apply to children with disabilities? If not, how are they different?**

The state standards do apply for children with disabilities. However, local Pupil Evaluation Teams (P.E.T.), responsible for the development of IEPs, has authority to make modifications or adaptations to state and local graduation requirements to "reflect the unique skills and abilities of the student," which are specified in the student's IEP.

3. **Does your state offer alternatives to a regular diploma to students who complete their assigned program (e.g., a certificate of completion)? If yes, please describe state exit requirements for obtaining each type of certificate and how the requirements are implemented for children with disabilities?**

The only certificate is one provided for students who do not complete graduation requirements but reach an age beyond the state mandate for providing services under IDEA, i.e., students who have "aged out."

4. **Do you provide outreach or information to students who have dropped out to obtain a GED?**

Yes, through the Adult Basic Education Office.

5. **Please describe any changes in the requirements for exiting with a diploma and/or a certificated in the last 10 years (for example, passing a minimum competency test, passing a literacy test).**

There have been no changes at the state level.

6. **Please describe any state initiatives, (policy changes, new interpretation of regulations, state system change initiatives, etc.) intended to increase the graduation rate of children with disabilities in the last 10 years.**
For each:

1) **Were efforts targeted on students with particular disabilities (e.g., students with severe disabilities)?**

No.

2) **Did the effort target completion with a diploma, a certificate, or either?**

Only Goal 2000 initiative (see above (90% Graduation rate).

3) **Were efforts focused on students with disabilities still in school or students who has already dropped out, or both?**

Neither, we focus on ALL KIDS.

4) **Was a specific goal/target established (e.g., 90% rate of graduation)?**

Yes, 90% graduation rate.

5) **What was the rationale or reason for implementing each of the initiatives? (e.g., implementation of individualized transition planning as mandated by P.L. 98-199), parent or other advocacy, review of state reported data, program development, federal discretionary support)**

Legislation, Goals 2000, School to Work, and Transition Planning including IEP's.

6) **How was the policy/initiative implemented? What was the role of the state?**

Sate Provided leadership and guidance.

7) **Were separate funds provided to encourage change?**

Yes, Goals 2000 funds.

8) **Do you believe the initiative was successful? What are your indicators of success?**

We believe we're being successful because of the combination of initiatives and not one single initiative.

9) **Was the initiative linked to any general education reform initiatives? If so, which one(s) and how?**

Yes, listed above.

PART C: Individualized Transition Planning for Youth With Disabilities

1. **How does your state implement individualized transition planning for youth with disabilities? (e.g., develop and implement an Individualized Transition Plan)**

Maine state special education regulations were updated in fall 1995 to reflect the transition planning rules defined under the Individuals with Disabilities Education Act of 1990. No provision of Maine's rules goes beyond the scope of the federal IDEA statute and regulations. Transition planning in incorporated within the overall Pupil Evaluation Team (PET) process and the Individualized Education Program (IEP).

In the past five years (1991-1996) Maine has operated a statewide Transition Services Systems Change project funded under the IDEA law. This project worked within a statewide transition coordination system (Maine's Committee on Transition) which includes a state-level interdepartmental transition policy board and ten local coordination councils throughout the state. This project helped to implement individualized transition planning for youth with disabilities in several ways, including:

1) training on transition planning and resource management for parents, educators and other stakeholders (see more detail under # 7 below);
2) development and dissemination of extensive print and multi-media materials on transition techniques and best practices; and
3) creation of a train-the-trainer curriculum entitled, *"Transition Planning: Building a Framework for the Future"*, which utilizes future planning and strategic planning techniques for use by schools and others in providing student-centered, outcome-oriented transition planning.

2. **At what age does transition planning begin?**

Maine state policy requires "a statement of the needed transition services" within the IEP of each student "beginning no later than age 16 and annually thereafter."

Maine's Committee on Transition system have long advocated for transition planning to begin as early as possible, and generally around are 14. However, we do not collect data to indicate when most Maine schools begin transition planning.

3. **Has the age at which transition planning begins changed in the last several years? If so, When? and Why?**

Prior to adoption of the federal IDEA transition planning requirement language, there were no recommendations of a starting age for transition planning. Because of this, whatever transition planning took place was usually done in the latter half of the final school year for each student. Now transition planning is mandated to start at age

16, allowing 1-2 years of planning prior to typical graduation exit at ages 17-18.

4. **If transition planning does not currently begin at age 14, do you think IDEA should be amended to require transition planning should begin by that age? Why?**

Absolutely, Maine has rarely adopted educational requirements which are more strict than federal law, hence the current focus on age 16. But our experience has indicated that earlier transition planning helps many students.

Also, Maine's School-to-Work plan calls for early career orientation and development activities, particularly at the middle school level. Earlier transition planning under the IDEA law would complement this school-to-work effort, and better prepare and involve students with disabilities in school-to-work programs.

5. **Who has responsibility to coordinate development and implementation of ITP or IEP?**

The local school educational agency (LEA).

6. **How long have you been implementing individualized transition planning for all youth with disabilities?**

As a mandatory part of the student IEP, transition planning has been mandated in state education regulation only since fall 1995. In terms of urging schools and other transition stakeholders to implement individualized transitional planning for all youth the Maine Interdepartmental Committee on Transition has been helping to orient and support planning for all youth in schools well before the 1990-1991 school year (it was established in state law in 1986).

7. **Has special support or training been provided to implement individualized transition planning on a state wide basis? If so, please describe:**

Maine's Transition Systems Change Project, mentioned earlier, designed a curriculum for a series of local *Transition Information and Awareness Seminars* to convey information on transition planning and service coordination to a wide audience. Two seminars were held in the spring of 1993 to field test and fine-tune the seminar curriculum. In Year III (fall and winter 1993-94), a total of nine seminars were held in different regions of the state.

The seminars featured information on new transition policies, and an opportunity for attendees to participate in activities designed to demonstrate the value of teams working together on transition planning.

Starting in the fall of 1994, a second training phase, entitled Beyond Awareness: Making Transition Work for Youth, was conducted. During the first seven of the nine

Beyond Awareness seminars, a total of 52 local school teams received training.

At present, training is being provided through a train-the-trainer curriculum entitled *Transition Planning: Building a Framework for the Future*, which utilizes futures planning and strategic planning techniques for use by schools and others in providing student-centered outcome-oriented transition planning.

8. **Based on your state's experience, do you believe implementation of individualized transition planning services helps youth with disabilities complete school and not drop out?**

Absolutely. We have extensive qualitative and anecdotal data which show how early transition planning has led to continued school enrollment for students who had indicated that they are close to dropping out from school.

9. **Based on your state's experience, do you believe implementation of individualized transition planning services helps youth with disabilities achieve better adult life outcomes (e.g., employment) regardless of any effects on school completion?**

Absolutely. Again, we do not have direct quantitative data to support this but have extensive qualitative and anecdotal data which show how early transition planning has resulted in increased placement into integrated job settings, higher wage levels, and increased post-secondary educational placements.

10. **Please identify any obstacles, barriers, or unmet needs that will need to be addressed to implement individualized transition planning on the most successful basis: (e.g., additional training and support to teachers, more interagency coordination, additional funding)**

Continued training is a must. Unfortunately, resources are decreasing substantially in this area, including that available through CSPD and related means.

There are many current efforts to bring together the now-separate transition planning activities under the IDEA law and under the School-to-Work Opportunities Act of 1994. Maine is now completing the second years of its five year school-to-work programs, and the educational reform which it and Goals 2000 is encouraging, really does serve all youth, and eliminate separate tracking and service provision as in special education.

Better teacher and professional preservice education related to student-centered transitions planning is necessary.

State Close-up Profiles
Graduation Rates

Project ALIGN:

"Supporting Data Based Decision Making To Align the Intent and Implementation of IDEA With the Goals of National Education Reform"

Increasing the Graduation Rate of Children with Disabilities.

PART A State Demographics

- State: Virginia
- State Director of Special Education

Mr. Douglas Cox
VA Department of Education
PO Box 2120
Richmond, VA 23216-2120

Phone: 804-225-2402
Fax: 804-692-3163

Virginia
"Education and Economic Statistics"

School Student Information	Year	Level	State Ranking[1]	Range low to high
4th Grade Reading Proficiency (NAEP Assessment)	1992	222	31(42)	189 - 229
8th Grade Math Proficiency (NAEP Assessment)	1992	267	25(42)	234 - 283
Ethnicity of Enrollment[2]	1992	69	22 (48)	4 - 98%
Student/Teacher Ratio	1991-1992	16	19 (51)	13 - 25
School Fiscal Information				
Per Pupil Revenue	1991-1992	5255	32 (51)	3101 - 8909
Educational Expenditures Per Capita	1990-1991	1265	29 (51)	919 - 2286
Elementary/Secondary Expenditures Per Capita	1990-1991	1265	35 (51)	572 -1697
Current Educational Expenditures Per Pupil in Membership	1991-1992	4916	28 (51)	2841 - 8705

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School Fiscal Information	Year	Level	State Ranking	Range (Low to High)
Teacher Salary	1992-1993	32306	26 (51)	24289 - 48343
Expenditures on Education as Percent of Gross State Product	1988	3	13 (51)	2 - 5
Percent of Revenue (local)	1991-1992	63	45 (51)	2 - 91
Percent of Revenue (state)	1991-1992	31	8 (51)	0 - 90
Percent of Revenue (federal)	1991-1992	6	16 (51)	3 - 17
Chapter 1 Monies/Enrollment	1991-1992	102	24 (51)	33 - 311
State Demographics				
Median Income	1990	33328	42 (51)	20136 - 41721
Percent in Poverty	1992	9	5 (51)	8 - 25
Population Density	1988	147	35 (51)	1 - 8986
Unemployment[3]	1989	4	14 (51)	2 - 8
State Fiscal				
Per Capita Income	1991	21242	39 (51)	14171 - 27513
Human Services Expenditures Per Capita	1990-1991	3319	23 (51)	2440 - 9776
Gross State Product (GSP) Per Capita	1988	21125	39 (51)	13801 - 59289

1 Number in parentheses ( ) represents total number of states providing data. Includes 50 states and DC. 1 is the lowest numerical value, and 51 is the highest.

2 Percent of school enrollment in public elementary and secondary schools that is white.

3 Percent of adults aged 25-64.

Virginia
Statistics for Children with Disabilities

Percent of Resident Population Identified as Disabled Ages 6-21
1993-1994 School Year

Disability Condition	Specific Learning Disability	Speech & Language Impaired	Serious Emotional Disturbance	Mental Retardation	All Disabilities
Virginia	4.35	1.79	0.76	0.94	8.41
U.S.	4.19	1.74	0.71	0.93	8.19

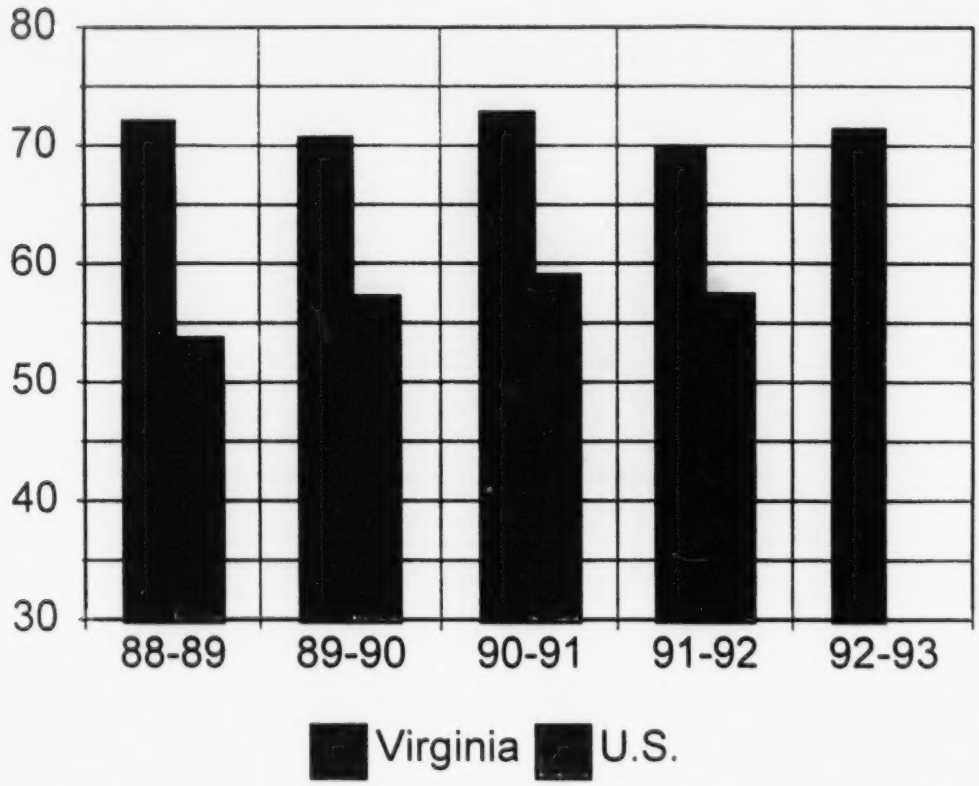
Source: Seventeenth Annual Report to Congress. (1995). Washington, DC: Author.

Means of Exit for Children with Disabilities
1992-1993 School Year

Disability Condition	Diploma	Certificate	Dropped Out	All Other & Unknown
Specific Learning Disability	68.7	6.9	17.0	7.4
Speech & Language Impaired	71.0	4.0	8.0	17.0
Serious Emotional Disturbance	37.6	8.6	35.5	18.3
Mental Retardation	23.6	50.4	15.3	10.7
All Disability Conditions	55.3	16.1	18.8	9.8

Source: Sixteenth Annual Report to Congress. (1995). Washington, DC: Author.

Trend in Percentage of Children with Disabilities Served in Regular Classes



1988-89 - 1992-93 School Year for Virginia and U.S.

PART B: State Experiences and Initiatives to Increase the Graduation Rate of Students with Disabilities

1. Please describe state exit requirements for obtaining a regular diploma:

For a standard diploma, state exit requirements are represented by a set number of credits, plus satisfactory performance on the Literacy Passport exam in reading, math, and writing at grade 6. A standard diploma requires 21 credits; advanced studies requires 23.

2. Do these requirements apply to children with disabilities? If not, how are they different?

To obtain a standard diploma, a student must meet the exit requirements of 21 credits plus pass all three sections of the Literacy Passport. A special diploma is also available. The local IEP team develops an IEP which specifies the specific requirements. A certificate is also available for students who have completed a prescribed course of study.

3. Do you provide outreach or information to students who have dropped out to obtain a GED?

The state provides information to localities. Other initiatives, particularly state supported grants to locals in dropout prevention provide information and services to reach students, including those who are disabled, who are truant or are at risk of dropping out.

5. Please describe any changes in the requirements for exiting with a diploma and/or a certificated in the last 10 years (for example, passing a minimum competency test, passing a literacy test).

There are several initiatives which are intended to assist youth in finishing school and making a successful transition to adult life. Virginia received and is implementing a federally supported, statewide system change grant in transition--Project UNITE. This project is a collaboration effort of the Virginia Department of Education and the Virginia Department of Rehabilitative Services. Project UNITE activities have included the establishment of technical assistance centers through vocational rehabilitation which deliver training and assistance in local communities and the development of a transition training package which includes a video.

The state of Virginia is also implementing PERT (Postsecondary Education Rehabilitation and Training). Supported through state education and rehabilitation funds, PERT provides comprehensive career and vocational assessments of students in the 9th and 10 grades, along with technical assistance in transition planning for PERT participants. Finally, Virginia is supporting TRACC (Technical Related Academic Career Competencies). This initiative is developing a matrix that allows educators to

"crosswalk" between academic and vocational competencies. Together, these activities provide support and leadership to local schools to provide youth at risk of dropping out or of exiting without employment readiness with vocational and transition services and planning.

4. Please describe any state initiatives, (policy changes, new interpretation of regulations, state system change initiatives, etc.) intended to increase the graduation rate of children with disabilities in the last 10 years.

A report of a comprehensive analysis of the status and needs of youth with disabilities in Virginia was published in 1994 and has guided many transition initiation and recommendations. Also, the state maintains the Virginia Intercommunity Transition Council. The council is comprised of 13 state agencies who work together to identify systems and coordinate state needs.

5. Are you planning any changes to policies or services or implementing anything over the next couple of years to continue to increase graduation rates for youth with disabilities?

An initiative is underway that may impact graduation rates for youth with disabilities. The state is considering measures to strengthen and make more rigorous its accreditation standards. New academic standards have been proposed in English, Math, Social Sciences, and Science. At this time, Virginia plans to implement criterion referenced testing in these 4 areas in the spring of 1997. The grade levels to be tested are: 3, 5, 8, and 11. Potentially, students will need to pass the grade 11 tests in order to meet exit requirements for a standard diploma. The process and review of changing requirements for a diploma is expected to continue over a period of time, so that the new standards are applied in an appropriate fashion.

PART C: Individualized Transition Planning for Youth With Disabilities

1. **How does your state implement individualized transition planning for youth with disabilities? (e.g., develop and implement an Individualized Transition Plan)**

The state regulations mirror the federal requirements for transition planning and services. No separate Individualized Transition Plan is required. The IEP itself is developed to contain the statements of planning and services needed.

2. **At what age does transition planning begin?**

Transition planning begins at age 16, or earlier, if appropriate. However, the statewide systems change grant (UNITE), which operates Technical Assistance Centers with the Department of Rehabilitation Services, promotes grade 9 as a natural transition point.

3. **Has the age at which transition planning begins changed in the last several years? If so, When? and Why?**

Legally, the age has not changed. However, as stated, the UNITE Technical Assistance Centers have stressed grade 9, which is age 14 for most students, as the time to begin transition planning.

4. **If transition planning does not currently begin at age 14, do you think IDEA should be amended to require transition planning should begin by that age? Why?**

We would support age 14 as an appropriate time to require that transition planning begin.

5. **Who has responsibility to coordinate development and implementation of ITP or IEP?**

The implementation of transition planning and services is the responsibility of the IEP committee. All of our local divisions now name someone in their division as a "transition coordinator" but only about 25% of divisions have someone who spends the majority of their time in that role. Even in those divisions who have a transition coordinator 100% of the time, the IEP committee holds primary responsibility for implementing transition planning within the context of the IEP. Coordinators play a more prominent role in those divisions where they can devote 100% of their time to transitions efforts

6. **How long have you been implementing individualized transition planning for all youth with disabilities?**

Virginia formally implemented individualized transition planning for all youth with disabilities consistent with federal requirements, i.e., during the 1992-93 school year. Although this was the formal implementation of individualized transition planning, many localities began this procedure during the mid 1980s.

7. **Has special support or training been provided to implement individualized transition planning on a state wide basis? If so, please describe:**

Virginia is in the fourth year of a five year state wide systems change grant: Project UNITE. The grant receives funding through the U.S. Office of Special Education Programs. The project supports Technical Assistance Centers through the Department of Rehabilitation Services. The Technical Assistance Centers deliver training and locally needed assistance. UNITE has funded capacity developing incentive grants to a total of 46 local school divisions. There are four regional Technical Assistance Centers which are affiliated with project UNITE; three of these have staff housed in DRS offices, one has staff housed at a State University. All four of them are coordinated collaboratively between DRS and DOE with direct line supervision being the primary difference in the management of the centers.

8. **Based on your state's experience, do you believe implementation of individualized transition planning services helps youth with disabilities complete school and not drop out?**

We believe the transition planning services do make a significant difference, and that the services are very important to continue. Additional data is needed to supplement the information we have now. We believe the students receive effective support for "goal setting behavior."

9. **Based on your state's experience, do you believe implementation of individualized transition planning services helps youth with disabilities achieve better adult life outcomes (e.g., employment) regardless of any effects on school completion?**

Yes. Our data indicate that the services are effective in helping youth obtain short term employment and to improve the connection with adult services. A higher percentage of individuals ages 18-25 are now served through adult services.

10. **Please identify any obstacles, barriers, or unmet needs that will need to be addressed to implement individualized transition planning on the most successful basis: (e.g., additional training and support to teachers, more interagency coordination, additional funding)**

1) Continued support for the Transition Technical Assistance Centers is very important.

2) Adult services to individuals with disabilities need to expand to serve the

increasing number of youth who are exit the special education system and need adult services.

3) To support provision of comprehensive transition services and the successful transition to adult life, relationships with mental health and mental retardation service providers will need to expand and become stronger. Because funding for those agencies is limited, it can make it difficult to take on an increased caseload or provide more services.

4) Teacher preparation programs need to prepare educators (regular and special) to implement transition planning and services at the secondary level. Teachers need the competencies to work effectively with youth and service providers.

State Close-up Profiles
Integration

Increasing the Integration of Children with Disabilities Within Less Restrictive Environments

Project ALIGN:
"Supporting Data Based Decision Making To Align the Intent and Implementation of IDEA With the Goals of National Education Reform"

PART A: State Demographics

- State: Idaho
- State Director of Special Education

Ms. Nolene Weaver
Special Education Section
State Department of Education
650 W. State St.
Boise, ID 83720-3650

Phone: 208-334-3940
Fax: 208-334-4664

Idaho
"Education and Economic Statistics"

School Student Information	Year	Level	State Ranking[1]	Range (low to high)
4th Grade Reading Proficiency (NAEP Assessment)	1992	221	25(42)	189 - 229
8th Grade Math Proficiency (NAEP Assessment)	1992	274	33(42)	234 - 283
Ethnicity of Enrollment[2]	1992	Not Available	2 (48)	4 - 98%
Student/Teacher Ratio	1991-1992	19	47 (51)	13 - 25
School Fiscal Information				
Per Pupil Revenue	1991-1992	3598	6 (51)	3101 - 8909
Educational Expenditures Per Capita	1990-1991	1105	14 (51)	919 - 2286
Elementary/Secondary Expenditures Per Capita	1990-1991	727	8	572 -1697

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School Student Information	Year	Level	State Ranking[1]	Range Low to High
Current Educational Expenditures Per Pupil in Membership	1991-1992	3370	3 (51)	2841 - 8705
Teacher Salary	1992-1993	27011	7 (51)	24289 -48343
Expenditures on Education as Percent of Gross State Product	1988	4	31 (51)	2 - 5
Percent of Revenue (local)	1991-1992	30	13 (51)	2 - 91
Percent of Revenue (state)	1991-1992	62	41 (51)	0 - 90
Percent of Revenue (federal)	1991-1992	8	37 (51)	3 - 17
Chapter 1 Monies/ Enrollment	1991-1992	97	13 (51)	33 - 311
State Demographic				
Median income	1990	25257	13 (51)	20136 - 41721
Percent in Poverty	1992	15	31 (51)	8 - 25
Population Density	1988	12	7 (51)	1 - 8986
Unemployment[3]	1989	5	35 (51)	2 - 8
State Fiscal				
Per Capita Income	1991	16351	7 (51)	14171 - 27513
Human Services Expenditures Per Capita	1990-1991	2852	5 (51)	2440 - 9776
Gross State Product (GSP) Per Capita	1988	14845	5 (51)	13801 - 59289

1 Number in parentheses ( ) represents total number of states providing data. Includes 50 states and DC. 1 is the lowest numerical value, and 51 is the highest.

2 Percent of school enrollment in public elementary and secondary schools that is white.

3 Percent of adults aged 25-64.

Idaho
Statistics for Children with Disabilities

Percent of Resident Population Identified as Disabled Ages 6-21
1993-1994 School Year

Disability Condition	Specific Learning Disability	Speech & Language Impaired	Serious Emotional Disturbance	Mental Retardation	All Disabilities
Idaho	3.98	1.15	0.14	0.93	6.65
U.S.	4.19	1.74	0.71	0.93	8.19

Source: Seventeenth Annual Report to Congress. (1995). Washington, DC: Author.

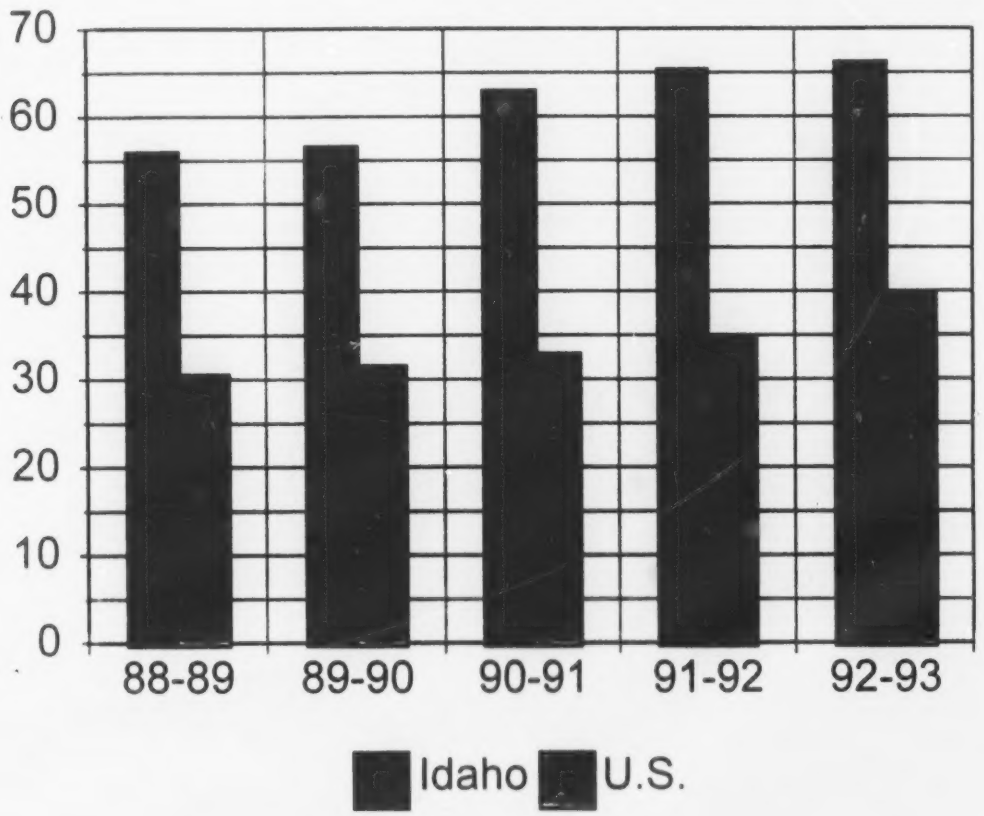
Percentage Served in Various Educational Environments
1992-1993 School Year

Disability Condition	Regular Class	Resource Room	Self-Contained	All Separate Facilities
Specific Learning Disability	69.47(34.83)	26.93(43.91)	3.21(20.08)	0.39(1.18)
Speech & Language Impaired	96.83(81.71)	2.71(10.74)	0.37(5.99)	0.09(1.56)
Serious Emotional Disturbance	33.86 (19.62)	20.11(26.65)	23.54(35.22)	22.49(18.51)
Mental Retardation	23.73(7.11)	36.71(26.79)	35.88(56.80)	3.67(9.29)
All Disability Conditions	66.20(39.81)	23.55(31.66)	8.80(23.47)	1.46(5.06)

Note: Number in ( ) corresponds to the national percentage.
Percentages represent children served under IDEA and Chapter 1 (State Operated Programs) ages 6-21.

Source: Seventeenth Annual Report to Congress. (1995). Washington, DC: Author.

Trend in Percentage of Children with Disabilities Served in Regular Classes



1988-89 - 1992-93 School Year for Idaho and U.S.

PART B: Educational Environments of Students with Disabilities

1. Please describe state definitions of educational environments:

Type of Setting	Federal Definition	State Definition
Regular Class	...includes students who receive the majority of their education program in a regular classroom and receive special education and related services outside the regular classroom for less than 21 percent of the school day. It includes children placed in a regular class, as well as children placed in a regular class and receiving special education outside the regular class.	Equivalent to the Federal Definition. Hours/minutes served are converted to percentages based on a 6 hour day
Resource Class	...includes students who receive special education and related services outside the regular classroom for at least 21 percent but not more than 60 percent of the school day. This may include students placed in resource rooms with part-time instruction in a regular class.	
Self-Contained	...includes students who receive special education and related services outside the regular classroom for more than 60 percent of the school day. Students may be placed in self-contained classes full-time on a regular school campus.	
All Separate Facilities	...can be a separate school, which includes students who receive special education and related services in separate day schools for students with disabilities for more than 50 percent of the school day; a residential facility, which includes students who receive education in a public or private residential facility, at public expense, for more than 50 percent of the school day; or a homebound/hospital environment which includes students placed in and receiving special education in hospital or homebound programs.	

2. How do you report children with disabilities who are served in the regular class through indirect consultation services only?

Students are reported as served in the regular class. Students with disabilities are eligible to receive services full-time in the regular class provided they meet the definition for eligibility, and, as provided for in their IEP, receive specially designed instruction. Consultation and collaborative services may be provided to the regular educator by the special educator. To assist local districts in making a determination, a chart has been developed.

3. Please describe any changes in the definition of any of the educational environments in the last 10 years (for example, changing the percent of time).

The current definitions of educational environments have been in place since 1991. Separate state categories were utilized prior to that time.

4. Please describe any state initiatives, (policy changes, new interpretation of regulations, state system change initiatives, etc.) intended to increase the integration of children with disabilities in the last 10 years.

Several initiatives and activities have been implemented over the last several years to fully implement the least restrictive environment requirement of the Individuals with Disabilities Education Act. Common across all initiatives has been the emphasis upon providing professional development and support and resources.

In 1989, a two year pilot program was undertaken to develop local capacity to serve a greater number of students with disabilities within regular class and general education environments. The two year program represented a collaborative effort bringing together special educators, regular educators, administrators and representatives from Chapter 1 services as teams. In the first year, teams were provided training in a number of best practices, including consultative services, collaboration, co-teaching and cooperative learning. Dr. Anita Archer served as one of the consultants. Teams representing new sites were trained during year two. Not all local districts received training. However, the project and information provided through the training was disseminated extensively across the states. In that manner, local districts who did not participate formally in the project were able to learn about and implement the professional development needed to implement the strategies. The emphasis in this pilot program was upon increasing the meaningful integration of students with mild disabilities.

A second and continuing initiative has been to provide professional development and support through a Regional Technical Assistance Network. Through contractual arrangements with three universities, Idaho has earmarked some of the Part B set-aside funds to support individualized technical assistance to local districts. The actual assistance varies, e.g., in some cases problem solving and support is offered to respond to the needs of an individual student with disabilities. In other cases, training may be provided to extend the capacity of general educators to provide instructional and curricular adaptations to students with disabilities and those at risk of educational failure. All disability conditions are represented. One of the consultants, for example, who provides assistance works specifically to promote the provision of services in the least restrictive environment for students with severe disabilities. Other resources, which support and extend the work of the Regional Technical Assistance Network, are provided through the Developmental Disabilities Council and Parent Training.

One particularly important resource has been the assistance provided by Project Adapt (National Diffusion Training), a project supported by the U.S. Office of Special Education Programs. The Regional Technical Assistance Network, for example, may contract with Project Adapt to provide assistance in a local district. Often, the local district provides matching funds to support the assistance. The focus of the assistance

is on helping regular educators make curricular adaptations that are effective for students with disabilities as well as all low achieving students. With all assistance, emphasis is upon training and developing the capacity of a team of local school personnel.

Another state guided activity is local program monitoring and review. The emphasis has been upon working with local districts whose records do not support evidence of the availability of a full continuum of settings or placement decisions based on categorical definitions of disability. Individualized technical assistance is provided to support the development of procedures and program options needed to support enduring change.

In some cases, initiatives have been linked to general education reform initiatives. For example, 6-D Middle School monies were allocated to help better prepare regular educators to serve students with disabilities in the least restrictive environment.

In sum, there have been a number of initiatives to support the responsible integration of students with disabilities. The emphases have been upon supporting teams of educators, allowing for considerable local variation, building regular education capacity, and providing ongoing support for professional development. Separate funds, e.g., the use of Part B set aside monies, have been used. Indicators of success are the relatively high numbers of children receiving services within the regular education classroom, particularly students with mild disabilities. An additional benefit has been the increased capacity of regular education environments to better serve students who might have "fallen through the cracks," and are at high risk of educational failure.

5. Instead of or in addition to special initiatives emphasizing integration, please describe any traditions, separate initiatives, or other factors that you believe have contributed to your relatively higher integration rates.

One separate initiative has been to build local capacity to implement effective pre-referral procedures. During the last several years, the state has supported the development of site based teacher assistance teams. The composition and some of the specific procedures of the teams vary. However, in all cases, the emphasis has been on the creation of teams in which a teacher makes a referral for assistance, following by problem solving activities. In this manner, the teams provide very effective screening and the opportunity to try pre-referral interventions rather than refer a student suspected of a disability immediately for evaluation.

A second recent initiative has been to information and support to implement Section 504 of the Rehabilitation Act. Relatedly, the state department has developed and is implementing procedures to effectively identify and serve students with attention deficit/hyperactivity disorders.

6. Are you planning or implementing anything now to continue your progress in serving children with disabilities in less restrictive environments?

In January 1996, the LRE Stakeholders Group was formed. Teachers unions, in collaboration with 17 associations began meeting to discuss the successes and challenges in providing services to students with disabilities in the least restrictive environment. Two goals of the LRE Stakeholders Group are a) to provide input and recommendations to the State Legislature and b) to develop a State-wide LRE Plan. Working with the stakeholder group, the emphasis of the Special Education Section of the State Department of Education continues to be the identification and provision of training and support needed to provide services to students with disabilities in the least restrictive environment possible.

PART C: State Special Education funding Formula

7. Please describe your state's current funding formula to support special education and related services to children with disabilities

The current funding formula represents a flat unit, census-based formula based on student enrollment. The monies are not earmarked specifically, to support special education services. Local districts establish their own special education budgets. There has always been a small adjustment made for districts in which residential facilities are located. In Idaho, nexus is determined by where the student, rather than parent, lives. The amount of monies made available through this adjustment will be increased in 1996-97. Also, in 1996-97, an adjustment will be made for districts who serve a percentage of students with serious emotional disturbance that is above the state average. The number of students served as SED in Idaho is very low (0.2%), and the adjustment is intended as an incentive to local districts to identify more students with SED. An additional, small adjustment is being made with respect to services provided through rehabilitation services to support community based secondary programming.

8. In 1992, The Center for Special Education Finance categorized your special education finance system as:
Does this seem accurate now?

No. Representation of the formula as a percentage reimbursement based on actual expenditures is not correct.

9. Has your funding formula changed in the last 10 years? If so, please describe what was changed.

The formula has changed in the last several years. In 1991-92, the funding formula was based in part on the census based system described above. The other "half" was another formula in which costs for special education personnel were reimbursed. In 1994-95 the salary adjustment was dropped, and census-based system fully implemented. The change in formula was accompanied by a rule making process. Some local districts lost and other gained in the changeover. However, some local districts who lost money stated they preferred the new system, despite the initial loss in monies. No "grandfather clause" was provided prior to the changeover to the census-based funding formula.

10. In what way(s) does the current funding formula provide a financial incentive or disincentive to serve children in particular educational settings? If not, do you think the formula is "Placement Neutral" i.e., provides no financial incentive to place a children in a particular environment.

The funding formula is essentially neutral with respect to the setting in which services are provided. However, it may not be "identification neutral." The formula can

serve as a financial incentive not to identify children as disabled. The monies received are not dependent on the actual number of children identified as disabled.

11. Do you believe funding formulas should:

- **a) be "placement neutral"**
- **b) encourage placement in less restrictive settings**
- **c) should more funds to settings in which services are often more expensive**

The current funding formula is placement neutral.

12. Please describe your state formula to support general education.

The state formula is based on staff allocation. Twenty students generate a classroom units which corresponds to staff allocations of 1 teacher, .75 aide, and so on. The allocations are weights such that alternative and special education classes receive more monies.